2019 CAFR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TROPHY CLUB

TOWN OF
TROPHY CLUB

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

of the

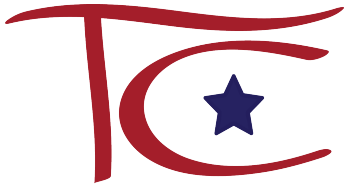
Town of Trophy Club, Texas

For the Year Ended
September 30, 2019

Prepared by

Steve Norwood
Town Manager

Mike Erwin
Finance Manager



TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas

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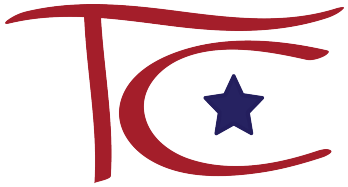

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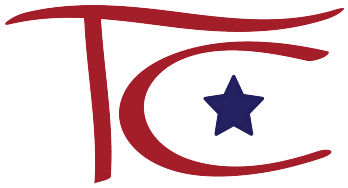

TOWN OF
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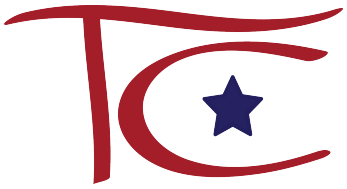
INTRODUCTORY SECTION



TOWN OF
TROPHY CLUB

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Town of Trophy Club
1 Trophy Wood Drive
Trophy Club, TX 76262
Phone (682) 237-2900
Fax (682) 237-2996

March 17, 2020

Honorable Mayor, Members of the Town Council,
And the Citizens of the
Town of Trophy Club, Texas

The Town's Finance Department has a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) which were audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Comprehensive Annual Financial Report (CAFR) for the Town of Trophy Club, Texas for the fiscal year ended September 30, 2019 is hereby issued.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making the representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the Town's financial statements in conformity with GAAP. Internal controls should not outweigh their benefits; therefore, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial records have been prepared and audited by Brooks Watson & Co., PLLC, Certified Public Accountants, as required by the Town Charter. This CAFR has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town are presented fairly, in all material respects, for the fiscal year ended September 30, 2019. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town of Trophy Club, Texas incorporated in 1985 as Texas' first premiere master planned community, is located in the North Central portion of Texas. This area of the State has proven to be one of the top

growth areas in Texas and the United States. The Town currently occupies a land area of just over 4 square miles and serves a growing population of approximately 12,369. The Town is empowered to levy a property tax on real property located within its boundaries. Trophy Club is also empowered, by State statute, to extend its corporate limits by voluntary annexation, which has occurred periodically when deemed appropriate by the governing council of the Town.

Trophy Club has operated as a Home Rule municipality utilizing the Council-Manager form of government since 2004. With the Charter Amendments passed at the May 11, 2013 election policy-making and legislative authority are vested in the Town Council consisting of the Mayor and six other council members. The Town Council is responsible for, among other things, passing ordinances, adopting the budget, appointing boards and committees, and hiring the Town Manager, Town Secretary, Municipal Judge, and Town Attorney. The Town Council is elected on a non-partisan basis. With the Charter Amendments passed at the May 9, 2009 election, Council members are elected from the Town at-large-by-place in the manner, for a term of three (3) years or until their successors have been elected and take office. Each Council member shall be elected to and occupy a place on the Council, such Places being numbered (e.g., Place 1, Place 2, Place 3, etc.). No person shall serve as Mayor or Council member for successive elected full terms totaling more than six years. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, overseeing the day-to-day operations of the government and for appointing the heads of the various Town departments.

The Town of Trophy Club provides a full range of municipal services including general government, public safety, streets, parks and recreation, planning and zoning, code enforcement, and drainage utilities. Water/wastewater is provided through the Municipal Utility District.

Local Economy

Fast-paced growth is one of the Town's identifying characteristics, identified by both the Dallas Business Journal and Fort Worth Builders Association. Trophy Club's location between DFW and Alliance Airports is ideal for businesses and residents, as well as those who commute to Dallas, Denton, Las Colinas, and Fort Worth. Trophy Club maintains a small-town, picturesque feel while taking advantage of nearby metro areas. The Town offers an outstanding quality of life, with great educational and recreational amenities as well as two 18-hole premier golf courses including the only course designed by Ben Hogan.

The North Texas region possesses diverse research and education institutions, logistics, oil and gas, manufacturing and industrial, and a professional services base that has contributed to the relative stability of the unemployment rate with approximately half of the local workforce employed in management, professional, and related occupations. Figures from the Bureau of Labor Statistics indicate a Denton County unemployment rate of 2.6% while the national unemployment rate is 3.4% as of December 2019.

Trophy Club has worked diligently to position itself for a significant future within DFW and the Alliance corridor. The Town has issued over 1,400 building permits for high end homes over the past 7 years, with 35 building permits for Fiscal Year 2019 and 10 to 20 permits anticipated for FY20. Additionally, the Town's tax base exceeded $1.8 billion net taxable value in 2019. Business growth continues to be strong in Trophy Club and the Highway 114 region. The Town directly benefits from those businesses locating within the Town or professionals moving to our neighborhoods who work at nearby corporations.

Long-Term Financial Planning

In December of 2015, the Town refunded the Trophy Club Public Improvement District #1 (PID) bonds which will help residents of the PID realize over $16.4M in savings over the life of the debt. In June of 2017 the Town issued $4,445,000 in Certificates of Obligation Bonds for the purpose of streets reconstruction.

Budgeting Process

The Town of Trophy Club uses a program-based budgeting process. Each budgeting unit provides for the expenditures associated with services and supplies appropriated for in the prior year budget. Personnel expenditures are compiled by the Finance department. Any funding request that represents new expenditures and programs must be submitted as a separate supplemental request. Capital items are funded based on a replacement schedule, need, and available resources.

Revenue Projection

The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

Proposed Budget Analysis/Compilation

The Finance Department reviews and compiles a preliminary departmental budget to present to the Budget Team, which is comprised of the Town Manager, Assistant Town Manager, and Finance Manager. During Budget Team discussions, each department director answers questions from the entire group concerning their budget.

Given revenue projections and baseline funding requirements, budget funding changes are made according to necessity and priority. A total recommended funding level is determined and is weighed against available resources.

Proposed Budget Development

The Town Manager shall prepare and submit to the Town Secretary, the annual budget covering the next fiscal year. The Town Manager's proposed budget should assume, for each fund, operating revenues and resources that are equal to, or exceed operating expenditures. The Town Manager's budget message summarizes funding requirements, major changes in programs, and alternatives for funding.

Town Council Budget Study

Each fund's information, supplemental items, capital replacement data, and the five year capital improvement program are presented to the Council during every Council meeting from May until the budget is adopted. This approach allows the Council to discuss items and give direction prior to the proposed budget being submitted.

Capital Program

The Town Manager shall prepare and submit to the Council a five (5) year capital program no later than three months before the final date for submission of the budget. The capital program shall be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition (Charter Section 9.08).

Public Hearing/Budget Adoption

A public hearing on the proposed budget and two public hearings on the tax rate (if applicable) are held in August and September prior to final budget consideration. At the public hearings, citizens may make formal comments concerning the proposed budget. The public also has the opportunity to attend Town Council budget work sessions from May through budget adoption.

Budget adoption occurs in September after Town Council deliberations and the public hearing(s). The Town Council adopts a tax rate to support adopted funding levels. Pursuant to Town Charter, the budget in place for the preceding year shall remain in place on a month-to-month basis until such time as a new budget has been adopted if no Town Council action is taken before the end of the fiscal year, September 30.

Compilation of Adopted Budget/Budget Maintenance

The adopted budget is compiled and published during the first months of the new fiscal year. The adopted budget in the form of an amended proposed budget is available for public inspection in October. Ledger accounts are prepared for the new fiscal year prior to October 1.

Budget maintenance is a year-round activity of divisions/departments and Finance Department staff. Other spending control mechanisms include monthly review of expenditures by Finance Department staff. During the budget process, departments make revenue and expenditure estimates for the current year.

Finally, program goals, objectives, and measures are evaluated during budget implementation to determine the effectiveness of program activities and levels of appropriate funding for subsequent years.

Relevant Financial Policies

During Fiscal Year 2010, the Town established a Cash Management Program and Policy for the purpose of ensuring adequate internal controls to account for the handling of Town cash and to maintain public trust.

Staff also created the Town's Investment Policy. The purpose of the investment policy was to comply with Chapter 2256 of the Government Code ("Public Funds Investment Act"), which requires the Town of Trophy Club to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of Trophy Club's funds. The investment policy received the Government Treasurers' of Texas Certificate of Distinction for Investment Policy in June 2011.

The Town Council adopted a fund balance policy in September 2011 which established new fund balance categories (as recommended by Statement No. 54 by the Governmental Accounting Standards Board) and established a minimum unassigned fund balance goal (30% of annual operating expenditures).

In December 2013, Town Council adopted a debt management policy in order to provide parameters for the issuance and management of debt used to construct or acquire major capital assets.

In September 2016 the Town implemented revised purchasing and travel and training policies.

Major Initiatives

The Town Council has continued its strategic planning process to identify goals and objectives for long range planning. Each year, the Council meets in strategic planning retreats to review and refine those

goals. Management Team members utilize the strategic planning documents to help guide their budget planning and service/program implementation.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Trophy Club for its CAFR for the fiscal year ended September 30, 2018. This was the seventh consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. We would also like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Acknowledgment is also given to representatives of BrooksWatson & Co., PLLC, Certified Public Accountants.

Special acknowledgement is given to the Mayor and the members of the Town Council for their support for maintaining the highest standards of professionalism in the management of the Town of Trophy Club finances.

Respectively submitted,

Steve Norwood
Town Manager

Mike Erwin
Finance Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Trophy Club

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART

TROPHY CLUB RESIDENTS

MAYOR & TOWN COUNCIL

Steve Norwood
Town Manager

Wade Carrol
Assistant Town Manager

Leticia Vacek
Town Secretary

David Dodd
Town Attorney

Jill Lind
Communications & Marketing Manager

- INTERNAL COMUNICATION
- EXTERNAL COMUNICATION

Mike Erwin
Finance Manager

- PURCHASING
- COURT

Jack Taylor
Fire Chief

- FIRE
- EMERGENCY MEDICAL SERVICES
- EMERGENCY MANAGEMENT
- FIRE PREVENTION

Patrick Arata
Police Chief

- POLICE
- ANIMAL CONTROL
- SCHOOL RESOURCE OFFICERS
- SCHOOL CROSSING GUARDS

Tommy Uzee
Director of Community Development

- PLANNING
- PERMITTING
- CODE ENFORCEMENT
- BUILDING INSPECTIONS

James Edwards
HR Manager

- RECRUITMENT
- RETENTION

Mike Pastor
IS Manager

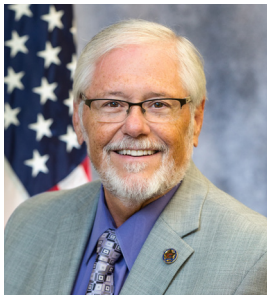
- TECHNOLOGY SUPPORT

Tony Jaramillo
Director of Parks & Recreation

- PARKS
- RECREATION
- COMMUNITY EVENTS
- LANDSCAPE MAINTENANCE

KEY OFFICIALS

TOWN COUNCIL



Nick Sanders
Mayor

Eric Jensen
Mayor Pro Tem, Place 2

Alicia Fleury
Place 1

Sean Bone
Place 3

Karl Monger
Place 4

Michael Geraci
Place 5

Philip Shoffner
Place 6

APPOINTED OFFICIALS

Steve Norwood
Town Manager

David Dodd
Town Attorney

Leticia Vacek-
Town Secretary

Honorable
Eric Guido Ransleben
Municipal Judge

MANAGEMENT TEAM

Wade Carroll
Assistant Town Manager

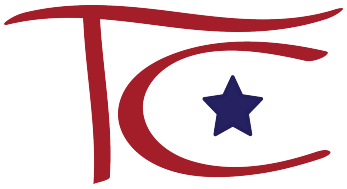
Tommy Uzee
Director of Community Development

Jack Taylor
Fire Chief

Tony Jaramillo
Director of Parks & Recreation

Patrick Arata
Police Chief

FINANCIAL SECTION



TOWN OF
TROPHY CLUB

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Town Council
Town of Trophy Club, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Trophy Club, Texas (the "Town"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2019 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 5.I. to the financial statements, the Town has restated beginning fund balance/net position within governmental activities and discretely presented component unit activities to correct various accounting errors and reclassification of a nonmajor governmental fund to a discretely presented component unit. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, general fund budgetary comparison, and PID budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Trophy Club basic financial statements. The combining and budgetary comparison schedules for the other governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information noted above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
March 17, 2020

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2019

As management of the Town of Trophy Club, Texas (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows (net position) at September 30, 2019 by $64,662,451.

- The Town's total net position increased by $2,252,589. The majority of the Town's net position is invested in capital assets or restricted for specific purposes.

- The Town's governmental funds reported combined ending fund balances of $15,507,035 at September 30, 2019, a decrease of $1,386,216 from the prior fiscal year; this includes an increase of $382,735 in the general fund, an increase of $43,576 in the debt service fund, a decrease of $2,196,347 in the capital projects fund, an increase of $89,963 in the PID No. 1 fund, and an increase of $293,857 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $5,256,436 or 47% of total general fund expenditures.

- The Town's net pension liability amounted to $2,782,644 as of September 30, 2019.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The *statement of net position* presents information on all of the Town's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors, such as the Town's property tax base and the condition of the Town's infrastructure, need to be considered in order to assess the overall health of the Town.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, police, emergency medical services, community development, parks and recreation, streets, court, council and administration. Normally, these operations are financed by property taxes, sales taxes, and franchise fees. The business-type activities of the Town include Trophy Club Park and Storm Drainage Utility operations.

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also the legally separate component units, 4B Economic Development Corporation, the Tax Increment Reinvestment Zone #1, and the Crime Control and Prevention fund, which the Town is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18-25 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of

revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Town maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, and the PID, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The Town adopts an annual appropriated budget for its general, debt service, capital projects, PID, special revenue, Trophy Club Park, and Storm Drainage Utility funds. In addition, an annual appropriated budget is adopted for the Town's discretely presented component units, 4B Economic Development Corporation, the Tax Increment Reinvestment Zone #1, and the Crime Control and Prevention fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 26-33 of this report.

Proprietary Funds

The Town's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its Trophy Club Park and Storm Drainage operations. All activities associated with providing such services are accounted for in these funds, including salaries and benefits, supplies and materials, repairs and maintenance, utilities, and other operating expenses. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Trophy Club Park, and Storm Drainage Utility, both of which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 34-37 of this report.

Component Units

The Town maintains the accounting and financial statements for three discretely presented component units. The 4B Economic Development Corporation, the Tax Increment Reinvestment Zone #1, and the Crime Control and Prevention fund are all discretely presented component units displayed on the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 39-80 of this report.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the Town of Trophy Club, Texas, assets exceeded liabilities by $64,662,451 as of September 30, 2019, in the primary government.

The largest portion of the Town's net position, $53,701,441 reflects its investments in capital assets (e.g., land, buildings, water system, machinery and equipment, construction in progress), less any debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Trophy Club, Texas' net position of $6,112,682 represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the Town of Trophy Club, Texas is able to report positive balances in all reported categories of net position for the primary government, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2019			2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 18,125,219	$ 754,874	$ 18,880,093	$ 17,667,572	$ 658,885	$ 18,326,457
Capital assets, net	71,314,642	1,824,936	73,139,578	70,276,072	1,878,406	72,154,478
Long-term receivables	24,371,503	-	24,371,503	25,260,000	-	25,260,000
Total Assets	113,811,364	2,579,810	116,391,174	113,203,644	2,537,291	115,740,935
Deferred Outflows of Resources	4,387,577	-	4,387,577	3,718,236	-	3,718,236
Current liabilities	5,013,048	168,549	5,181,597	3,346,441	180,591	3,527,032
Long-term liabilities	49,930,132	686,939	50,617,071	51,884,965	846,358	52,731,323
Total Liabilities	54,943,180	855,488	55,798,668	55,231,406	1,026,949	56,258,355
Deferred Inflows of Resources	317,632	-	317,632	790,954	-	790,954
Net Position:						
Net investment in capital assets	52,718,444	982,997	53,701,441	51,825,867	877,048	52,702,915
Restricted	6,112,682	-	6,112,682	5,478,991	-	5,478,991
Unrestricted	4,107,003	741,325	4,848,328	3,594,662	633,294	4,227,956
Total Net Position	$ 62,938,129	$ 1,724,322	$ 64,662,451	$ 60,899,520	$ 1,510,342	$ 62,409,862

Current and other assets of business-type activities were $754,874 and $658,885 as of September 30, 2019 and September 30, 2018, respectively. The increase of $95,989 or 15% was primarily attributable to increased cash on hand, resulting from the increase in current year net position. Current and other assets of governmental activities were $18,125,219 and $17,667,572 as of September 30, 2019 and September 30, 2018, respectively. The increase is primarily attributed to the increase in the current portion of assessments receivable in the current year. Current liabilities of governmental activities were $5,013,048 and $3,346,441 as of September 30, 2019 and September 30, 2018, respectively. The increase is primarily a result of greater outstanding payables to vendors and an increase in the current portion of debt obligations. Total long-term liabilities decreased by $1,954,833 or 4% due to principal payments made in the current year.

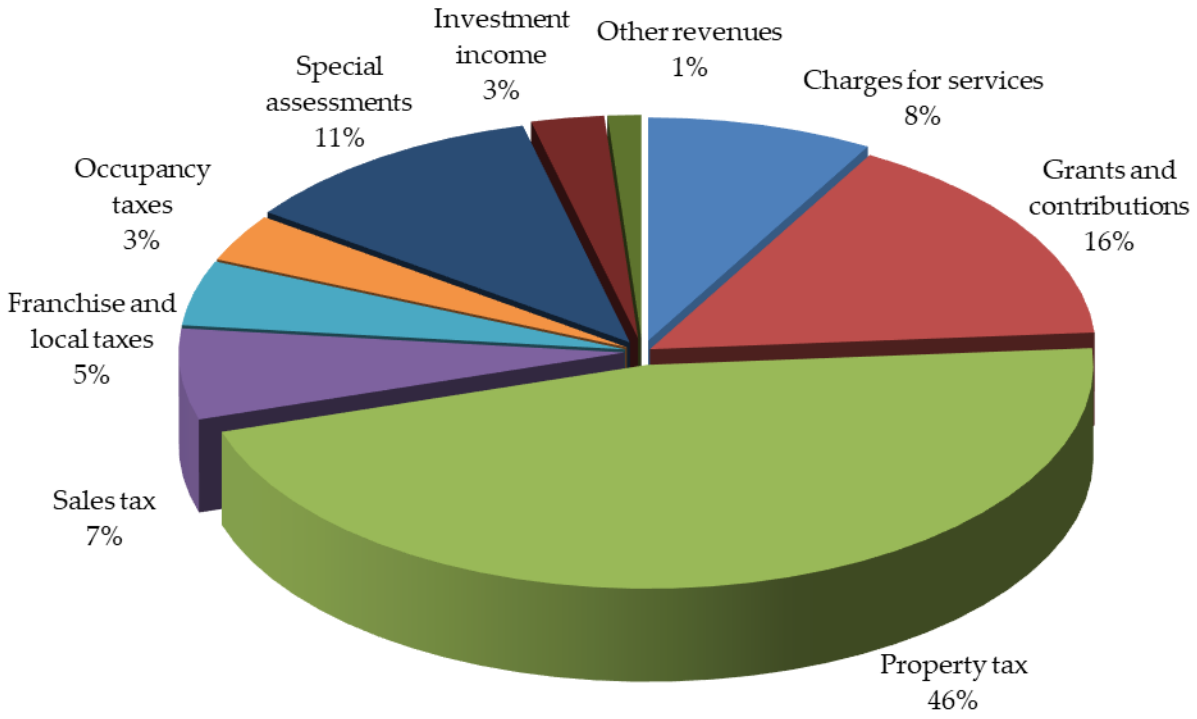
Statement of Activities:

The following table provides a summary of the Town's changes in net position:

	For the Year Ended September 30, 2019			For the Year Ended September 30, 2018		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 1,590,375	$ 539,295	$ 2,129,670	$ 1,816,239	$ 592,322	$ 2,408,561
Grants and contributions	3,019,160	3,360	3,022,520	443,752	94,521	538,273
General revenues:						
Property tax	8,974,426	-	8,974,426	8,412,231	-	8,412,231
Sales tax	1,271,864	-	1,271,864	1,150,073	-	1,150,073
Franchise and local taxes	911,738	-	911,738	867,446	-	867,446
Occupancy taxes	669,983	-	669,983	619,506	-	619,506
Special assessments	2,176,400	-	2,176,400	2,166,167	-	2,166,167
Investment income	512,922	11,818	524,740	259,220	7,258	266,478
Other revenues	235,107	-	235,107	197,567	-	197,567
Total Revenues	19,361,975	554,473	19,916,448	15,932,201	694,101	16,626,302
Expenses						
General government	3,650,893	-	3,650,893	3,398,500	-	3,398,500
Public safety	5,109,461	-	5,109,461	4,429,744	-	4,429,744
PID activities	26,875	-	26,875	2,850	-	2,850
Parks and recreation	2,871,283	-	2,871,283	2,644,329	-	2,644,329
Community development	717,215	-	717,215	695,637	-	695,637
Streets and infrastructure	2,371,290	-	2,371,290	1,671,692	-	1,671,692
Interest on long-term debt	2,663,286	-	2,663,286	2,771,762	-	2,771,762
Trophy Club Park	-	122,186	122,186	-	93,677	93,677
Storm drainage	-	131,370	131,370	-	129,722	129,722
Total Expenses	17,410,303	253,556	17,663,859	15,614,514	223,399	15,837,913
Change in Net Position Before Transfers	1,951,672	300,917	2,252,589	317,687	470,702	788,389
Transfers	86,937	(86,937)	-	87,209	(87,209)	-
Total	86,937	(86,937)	-	87,209	(87,209)	-
Change in Net Position	2,038,609	213,980	2,252,589	404,896	383,493	788,389
Beginning Net Position	60,899,520	1,510,342	62,409,862	60,494,624	1,126,849	61,621,473
Ending Net Position	$ 62,938,129	$ 1,724,322	$ 64,662,451	$ 60,899,520	$ 1,510,342	$ 62,409,862

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the Town's activities.

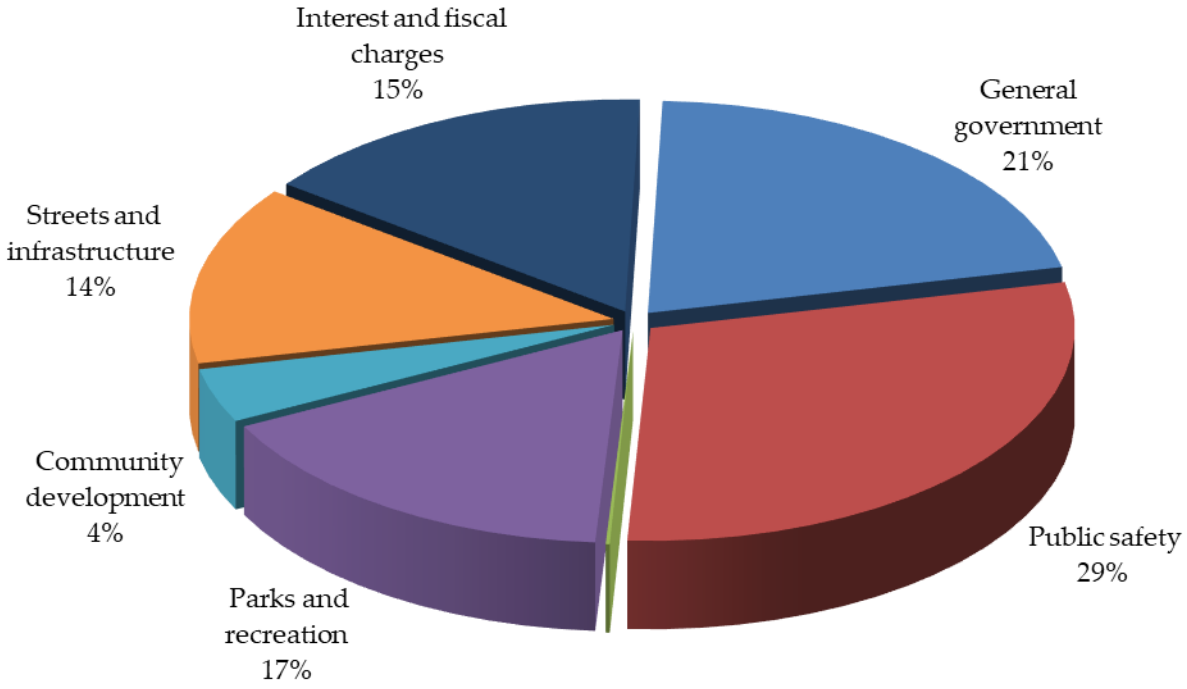
Governmental Activities – Revenues



For the year ended September 30, 2019, revenues from governmental activities totaled $19,361,975. Property tax, grants and contributions, special assessments and sales tax are the Town's largest general revenue sources. Overall revenue increased $3,429,774 or 22% from the prior year. Charges for services decreased by $225,864 or 12% due primarily to a reduction in building permits and court fines received compared to the prior year. Grants and contributions increased by $2,575,408 primarily due to nonrecurring contributed capital received from TXDOT in the current year. Sales and tax increased by $121,791 or 11% due to increase in local development. Occupancy taxes increased by $50,477 or 8% due to the Town experiencing increased tourism. Investment income increased by $253,702 or 98% primarily due to increased interest-bearing accounts. Other revenues increased by $37,540 or 19%, primarily as a result of increased cell tower lease income received in the current year. All other revenues remained relatively stable when compared to the previous year.

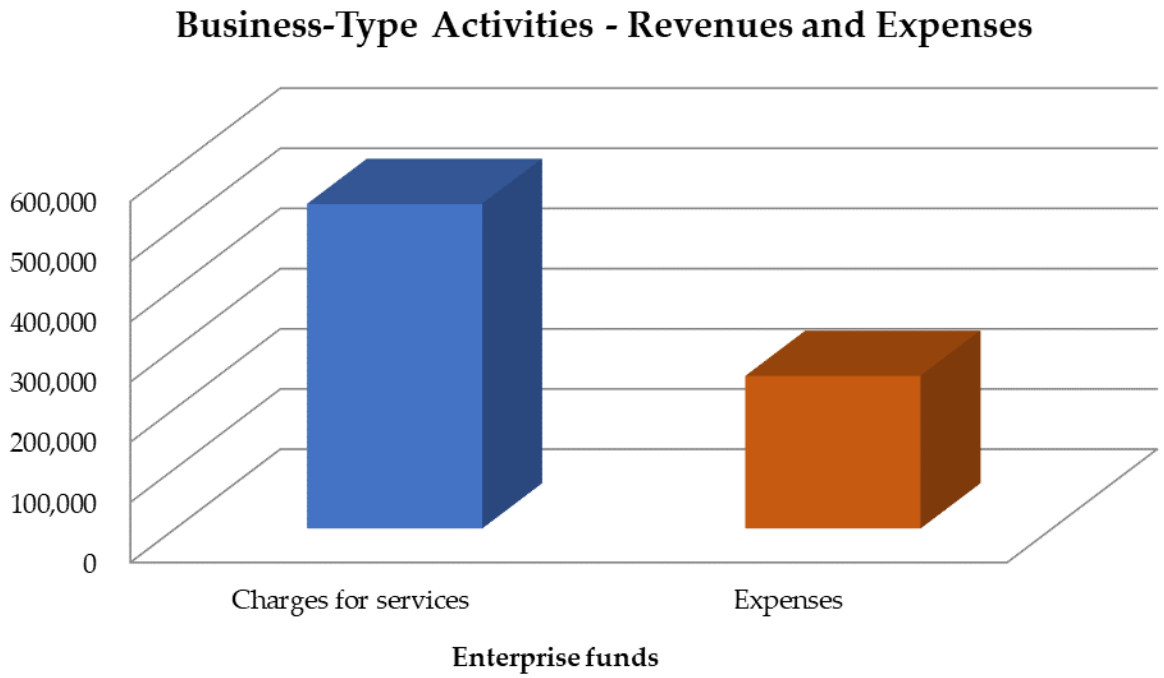
This graph shows the governmental function expenses of the Town:

Governmental Activities – Expenses



For the year ended September 30, 2019, expenses for governmental activities totaled $17,410,303. This represents an increase of $1,795,789 or 12% from the prior year. The Town's largest expense category is public safety, which totaled $5,109,461 at yearend. Public safety expenses increased by $679,717 or 15% primarily due to increased personnel costs for the fire and police departments. General government expenses increased by $252,393 or 7% primarily due to an increase in administrative salaries and benefits, local election expenses, and nonrecurring contingency expenses. Parks and recreation expenses increased by $226,954 or 9% primarily due to an increase in parks non-capital projects. Streets and infrastructure expenses increased $699,598 or 42% primarily due to additional noncapital repairs and maintenance costs in the current year.

Business-type activities are shown comparing operating costs to revenues generated by related services.



For the year ended September 30, 2019, charges for services by business-type activities totaled $539,295. This is a decrease of $53,027 or 9% from the previous year. The decrease was primarily a result of declining Trophy Club Park revenues. In addition, there was a decrease of $91,161 in operating grants, which was a result of nonrecurring grants received in the prior year for improvements made after significant flooding.

Total business-type activity expenses increased by $30,157 or 13%. The majority of the increase is attributed to added maintenance costs in Trophy Club park.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year.

At September 30, 2019, the Town's governmental funds reported combined fund balances of $15,507,035, a decrease of $1,386,216 in comparison with the prior year. Approximately 34% of this amount, $5,256,436, constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted or*

committed to indicate that it is 1) not in spendable form $389,687 or 2) committed for particular purposes $180,158.

As of the end of the year the general fund reflected a total fund balance of $5,823,253. General fund balance increased by $382,735 during the current year. This increase can be primarily attributed to greater than anticipated revenue.

The debt service fund had an ending fund balance of $473,670 at September 30, 2019, an increase of $43,576 when compared to the previous year. The increase in the total fund balance was a result of transfers from other funds. During the year, the fund recorded total principal and interest payments of $2,283,851 and property tax revenue of $2,221,216.

The capital projects fund had an ending fund of $3,568,072. The capital projects fund decreased $2,196,347 when compared to the previous year. The decrease was a result of current year capital outlay expenditures exceeding interest income.

The PID No. 1 fund reflected an ending fund balance of $3,972,188. The fund balance increased $89,963, which is a result of property assessments and other revenues exceeding debt service expenditures.

Proprietary Funds - The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the Town's largest proprietary fund, the Storm Drainage Utility fund, totaled $1,635,805. Unrestricted net position at the close of the fiscal year for the Town's utility funds amounted to $741,325, an increase of $108,031 over the previous year. Total investment in capital assets, net of related debt was $982,997, and capital assets, net of depreciation totaled $1,824,936.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were various budget amendments approved during the year. Final budgeted revenue was $106,390 more than originally budgeted due to greater grant revenue.

Total budgeted expenditures increased $76,910 compared to the original budget. Budget amendments were primarily due to salary and benefit increases. Total budgeted revenues of $10,885,298 were less than actual revenues of $11,525,812, resulting in a positive revenue variance of $640,514. The positive variance was primarily the result of greater than expected revenues from licenses and permits, franchise taxes, other revenues, and investment income. Total budgeted expenditures of $11,176,983 were less than actual expenditures of $11,206,077, resulting in a negative expenditure variance of $29,094. The variance in total expenditures was primarily due to negative variances within the manager's office department and debt service principal and interest.

CAPITAL ASSETS

As of the end of the year, the Town's governmental activities funds had invested $71,314,642 in a variety of capital assets and water system infrastructure, net of accumulated depreciation. The Town's business-type activities funds had invested $1,824,936 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, machinery and equipment, storm drainage system, and infrastructure.

Major capital asset events during the current year include the following:

- Contributed capital of $2,127,040 from TXDOT for sound retaining wall.
- Investments in Trophy Club Drive, Indian Creek and Phoenix Drive totaling $2,267,918.
- Harmony Playground improvements totaling $258,831.
- Purchase of new vehicles and equipment for the police and parks and recreations departments totaling $170,052.

More detailed information about the Town's capital assets is presented in note 4.C to the financial statements.

LONG-TERM DEBT

The Town's outstanding general obligation bonds, certificate of obligation bonds, and special assessment bonds, net of all premiums and discounts decreased by $2,095,034 from the prior year. The total bonds payable at the close of the fiscal year was $50,704,321, net of all premiums and discounts. Of this amount, $21,267,000 (excluding unamortized premium/discount) comprises of bonded debt backed by the full faith and credit of the Town, and the remaining represents bonds secured solely by self-supporting activities.

More detailed information about the Town's long-term liabilities is presented in note 4.D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town is approximately 90% residential, and 10% commercial, with a retail development substantially built out. The Town issued fewer residential construction permits than in fiscal year 2019 and budgeted for 10 residential building permits for fiscal year 2020. Residential development decreased significantly beginning in fiscal year 2018 as the Town reached substantial residential build-out.

The Town is expecting commercial development to be at complete build-out over the next five years. HG Supply Co. opened in 2019. PD-30 has started construction in fiscal year 2018 to include an Aloft Hotel, a large multi-family complex, a neighborhood of townhomes, and a large development of retail along SH114 and should be completed by end of FY22.

In fiscal year 2020, General Fund revenues are budgeted to increase 1.5% over fiscal year 2019 estimated revenues, while expenditures are budgeted to increase by 1.2% over fiscal year 2019 estimated expenditures.

The fiscal year 2020 budget maintained the ad valorem tax rate to $0.446442 per hundred dollars of assessed value.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Trophy Club Finance Director, 1 Trophy Wood Drive, Trophy Club, Texas, 76262. This information can also be accessed on the Town of Trophy Club's website at www.trophyclub.org.

BASIC FINANCIAL STATEMENTS

Town of Trophy Club, Texas

STATEMENT OF NET POSITION (Page 1 of 2)

September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 12,395,632	$ 641,247	$ 13,036,879
Investments	3,630,869	-	3,630,869
Taxes receivable, net	453,203	-	453,203
Special assessments receivable - current	1,275,000	-	1,275,000
Receivables, net	224,573	35,605	260,178
Due from other governments	22,479	-	22,479
Due from component units	196,678	-	196,678
Internal balances	(76,572)	76,572	-
Prepaid and other assets	3,357	1,450	4,807
Total Current Assets	18,125,219	754,874	18,880,093
Noncurrent assets:			
Capital assets:			
Non-depreciable	13,290,431	-	13,290,431
Net depreciable capital assets	58,024,211	1,824,936	59,849,147
Advances to component unit	386,503	-	386,503
Special assessments receivable - noncurrent	23,985,000	-	23,985,000
Unamortized bond insurance	-	-	-
Total Noncurrent Assets	95,686,145	1,824,936	97,511,081
Total Assets	113,811,364	2,579,810	116,391,174
Deferred Outflows of Resources			
Pension contributions	554,312	-	554,312
OPEB contributions	856	-	856
Pension investment earnings	886,093	-	886,093
Deferred charge on refunding	2,946,316	-	2,946,316
Total Deferred Outflows of Resources	4,387,577	-	4,387,577

Component Units
$ 34,436
-
-
-
130,721
-
-
-
-
165,157
2,538,765
359,783
-
-
9,038
2,907,586
3,072,743
-
-
-
-
-

Town of Trophy Club, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	950,863	11,688	962,551
Accrued liabilities	478,489	-	478,489
Due to primary government	-	-	-
Accrued interest payable	227,734	1,861	229,595
Compensated absences - current	274,757	-	274,757
Long-term debt due within one year	3,081,205	155,000	3,236,205
Total Current Liabilities	5,013,048	168,549	5,181,597
Noncurrent liabilities:			
Long-term debt due in more than one year	46,869,382	686,939	47,556,321
Compensated absences - noncurrent	30,528	-	30,528
OPEB liability	247,578	-	247,578
Net pension liability	2,782,644	-	2,782,644
Advances from primary government	-	-	-
Total Noncurrent Liabilities	49,930,132	686,939	50,617,071
Total Liabilities	54,943,180	855,488	55,798,668
Deferred Inflows of Resources			
OPEB (gains) losses	2,094	-	2,094
Pension (gains) losses	314,807	-	314,807
OPEB assumption changes	731	-	731
Total Deferred Inflows of Resources	317,632	-	317,632
Net Position			
Net investment in capital assets	52,718,444	982,997	53,701,441
Restricted for:			
Municipal court	30,036	-	30,036
Debt service	473,670	-	473,670
Public safety	9,886	-	9,886
PID Activities	3,972,188	-	3,972,188
Street maintenance	92,457	-	92,457
Tourism	1,313,981	-	1,313,981
Parks	220,464	-	220,464
Unrestricted	4,107,003	741,325	4,848,328
Total Net Position	$ 62,938,129	$ 1,724,322	$ 64,662,451

See Notes to Financial Statements.

Component Units
6,462
-
196,678
8,402
-
105,000
316,542
2,153,791
-
-
-
386,503
2,540,294
2,856,836
-
-
-
-
639,757
-
-
130,509
-
-
-
-
(554,359)
$ 215,907

Town of Trophy Club, Texas

STATEMENT OF ACTIVITIES (Page 1 of 2)

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 451,782	$ 499,302	$ 167,787	$ -
PID Activities	26,875	-	-	-
Emergency medical services	1,141,600	766,372	-	-
Manager's office	1,142,961	-	-	-
Human resources	427,521		-	-
Finance	526,829	-	-	-
Information services	654,884	-	-	-
Legal	127,898	-	-	-
Court	75,744	324,701	-	-
Police	2,574,841	-	-	-
Fire	1,317,276	-	724,333	-
Facilities management	319,018	-	-	-
Parks	2,871,283	-	-	-
Community development	575,759	-	-	-
Tourism	141,456	-	-	-
Streets and infrastructure	2,371,290	-	-	2,127,040
Interest on long-term debt	2,663,286	-	-	-
Total Governmental Activities	17,410,303	1,590,375	892,120	2,127,040
Business-Type Activities				
Trophy Club Park	122,186	99,351	3,360	-
Storm drainage utility	131,370	439,944	-	-
Total Business-Type Activities	253,556	539,295	3,360	-
Total Primary Government	$ 17,663,859	$ 2,129,670	$ 895,480	2,127,040

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ 215,307	$ -	$ 215,307	$ -
(26,875)	-	(26,875)	-
(375,228)	-	(375,228)	-
(1,142,961)	-	(1,142,961)	-
(427,521)	-	(427,521)	-
(526,829)	-	(526,829)	-
(654,884)	-	(654,884)	-
(127,898)	-	(127,898)	-
248,957	-	248,957	-
(2,574,841)	-	(2,574,841)	-
(592,943)	-	(592,943)	-
(319,018)	-	(319,018)	-
(2,871,283)	-	(2,871,283)	-
(575,759)	-	(575,759)	-
(141,456)	-	(141,456)	-
(244,250)	-	(244,250)	-
(2,663,286)	-	(2,663,286)	-
(12,800,768)	-	(12,800,768)	-
-	(19,475)	(19,475)	-
-	308,574	308,574	-
-	289,099	289,099	-
(12,800,768)	289,099	(12,511,669)	-

Town of Trophy Club, Texas

STATEMENT OF ACTIVITIES (Page 2 of 2)

For the Year Ended September 30, 2019

		Program Revenues		
	Expenses	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Component Units				
4B Economic Development Corpor	816,011	-	-	-
Tax Increment Reinvestment Zone	10,357	-	-	-
Crime Control and Prevention	191,426	-	-	-
Total Component Units	$ 1,017,794	$ -	$ -	$ -

General Revenues:

Taxes

Property taxes

Sales and mixed beverage taxes

Franchise and local taxes

Occupancy tax

Special assessments

Other revenues

Investment income

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
			(816,011)
			(10,357)
			(191,426)
			(1,017,794)
8,974,426	-	8,974,426	74,939
1,271,864	-	1,271,864	746,899
911,738	-	911,738	-
669,983	-	669,983	-
2,176,400	-	2,176,400	-
235,107	-	235,107	-
512,922	11,818	524,740	5,454
86,937	(86,937)	-	-
14,839,377	(75,119)	14,764,258	827,292
2,038,609	213,980	2,252,589	(190,502)
60,899,520	1,510,342	62,409,862	406,409
$ 62,938,129	$ 1,724,322	$ 64,662,451	$ 215,907

Town of Trophy Club, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2019

	General	Debt Service	Capital Projects	PID No. 1
Assets				
Cash and cash equivalents	$ 3,563,348	$ 17,575	$ 3,675,385	$ 3,972,188
Investments	2,031,793	-	1,599,076	-
Taxes receivable, net	314,992	21,929	-	-
Special assessments receivable	-	-	-	25,260,000
Accounts receivable, net	224,573	-	-	-
Due from other governments	22,479	-	-	-
Due from other funds	273,096	455,509	-	-
Prepaid and other assets	3,184	-	173	-
Due from component units	196,678	-	-	-
Advances to component units	386,503	-	-	-
Total Assets	$ 7,016,646	$ 495,013	$ 5,274,634	$ 29,232,188
Liabilities				
Accounts payable	$ 435,912	$ -	$ 511,121	$ -
Accrued liabilities	478,489	-	-	-
Due to other funds	-	-	1,195,441	-
Total Liabilities	914,401	-	1,706,562	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	71,994	21,343	-	-
Unavailable revenue - fines and forfeitures	29,461	-	-	-
Unavailable revenue - emergency medical services	152,220	-	-	-
Unavailable revenue - special assessments	-	-	-	25,260,000
Unavailable revenue - property liens	25,317	-	-	-
Total Deferred Inflows of Resources	278,992	21,343	-	25,260,000
Fund Balances				
Nonspendable:				
Prepaid items	3,184	-	-	-
Advances to component unit	386,503	-	-	-
Restricted for:				
Debt service	-	473,670	-	-
Municipal court	-	-	-	-
Public safety	-	-	-	-
Street maintenance	-	-	-	-
Tourism	-	-	-	-
Parks	-	-	-	-
Capital projects	-	-	3,568,072	-
PID Activities	-	-	-	3,972,188
Committed for:				
Police	177,130	-	-	-
Recreation programs	-	-	-	-
Unassigned	5,256,436	-	-	-
Total Fund Balances	5,823,253	473,670	3,568,072	3,972,188
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,016,646	$ 495,013	$ 5,274,634	$ 29,232,188

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 1,167,136	$ 12,395,632
-	3,630,869
116,282	453,203
-	25,260,000
-	224,573
-	22,479
649,095	1,377,700
-	3,357
-	196,678
-	386,503
$ 1,932,513	$ 43,950,994
$ 3,830	$ 950,863
-	478,489
258,831	1,454,272
262,661	2,883,624
-	93,337
-	29,461
-	152,220
-	25,260,000
-	25,317
-	25,560,335
-	3,184
-	386,503
-	473,670
30,036	30,036
9,886	9,886
92,457	92,457
1,313,981	1,313,981
220,464	220,464
-	3,568,072
-	3,972,188
-	177,130
3,028	3,028
-	5,256,436
1,669,852	15,507,035
$ 1,932,513	$ 43,950,994

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS

September 30, 2019

Fund Balances - Total Governmental Funds	$	15,507,035
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		13,290,431
Capital assets - net depreciable		58,024,211
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		25,560,335
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time		
Pension (gains) losses		(314,807)
OPEB (gains) losses		(2,094)
OPEB changes in assumptions		(731)
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditures) until then		
Pension contributions		554,312
OPEB contributions		856
Pension investment earnings		886,093
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(227,734)
Deferred charges on bond refunding		2,946,316
Bond premium		(4,160,382)
Net pension liability		(2,782,644)
OPEB liability		(247,578)
Compensated absences		(305,285)
Non-current liabilities due in one year		(3,081,205)
Non-current liabilities due in more than one year		(42,709,000)
Net Position of Governmental Activities	$	62,938,129

Town of Trophy Club, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2019

	General	Debt Service	Capital Projects
Revenues			
Property tax	$ 6,746,579	$ 2,221,216	$ -
Sales and mixed beverage taxes	1,023,120	-	-
Franchise and local taxes	911,738	-	-
Occupancy tax	-	-	-
Special assessments	-	-	-
License and permits	499,302	-	-
Intergovernmental	674,452	49,881	-
Charges for services	764,282	-	-
Fines and forfeitures	307,977	-	-
Investment income	206,601	29,393	149,562
Other revenue	391,761	-	-
Total Revenues	11,525,812	2,300,490	149,562
Expenditures			
Current:			
General government	-	-	6,623
PID activities	-	-	-
Emergency medical services	1,117,273	-	-
Manager's office	1,161,520	-	-
Human resources	428,739	-	-
Finance	526,601	-	-
Information services	623,819	-	-
Legal	127,898	-	-
Court	66,879	-	-
Police	2,483,871	-	-
Fire	1,303,324	-	-
Facilities management	319,018	-	-
Parks	2,196,541	-	
Community development	568,239	-	-
Tourism	-	-	-
Streets	191,463	-	-
Debt Service:			
Principal	85,075	1,613,000	-
Interest and fiscal charges	5,817	664,951	-
Administrative charges	-	5,900	-
Capital outlay	-	-	2,339,286
Total Expenditures	11,206,077	2,283,851	2,345,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	319,735	16,639	(2,196,347)

PID No. 1	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 8,967,795
-	248,744	1,271,864
-	-	911,738
-	669,983	669,983
2,176,400	-	2,176,400
-	-	499,302
-	-	724,333
-	5,680	769,962
-	4,290	312,267
101,011	26,355	512,922
-	11,133	402,894
2,277,411	966,185	17,219,460
-	-	6,623
26,875	-	26,875
-	-	1,117,273
-	-	1,161,520
-	-	428,739
-	-	526,601
-	-	623,819
-	-	127,898
-	8,409	75,288
-	-	2,483,871
-	-	1,303,324
-	-	319,018
-	6,307	2,202,848
-	-	568,239
-	141,261	141,261
-	223,475	414,938
25,577	-	1,723,652
2,134,996	-	2,805,764
-	-	5,900
-	289,876	2,629,162
2,187,448	669,328	18,692,613
89,963	296,857	(1,473,153)

Town of Trophy Club, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (Page 2 of 2)
For the Year Ended September 30, 2019

	General	Debt Service	Capital Projects
Other Financing Sources (Uses)			
Transfers in	63,000	26,937	-
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	63,000	26,937	-
Net Change in Fund Balances	382,735	43,576	(2,196,347)
Beginning fund balances	5,440,518	430,094	5,764,419
Ending Fund Balances	$ 5,823,253	$ 473,670	$ 3,568,072

See Notes to Financial Statements.

PID No. 1	Nonmajor Governmental Funds	Total Governmental Funds
-	-	89,937
-	(3,000)	(3,000)
-	(3,000)	86,937
89,963	293,857	(1,386,216)
3,882,225	1,375,995	16,893,251
$ 3,972,188	$ 1,669,852	$ 15,507,035

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	$	(1,386,216)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		2,860,040
Depreciation expense		(3,356,339)
Capital contributions		2,127,040
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		15,475
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(20,758)
Accrued interest		57,349
Pension expense		(47,467)
OPEB expense		(25,196)
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Amortization of deferred loss on refunding		(206,009)
Amortization of premium		297,038
Principal payments		1,723,652
Change in Net Position of Governmental Activities	$	2,038,609

See Notes to Financial Statements.

Town of Trophy Club, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2019

	Trophy Club Park	Storm Drainage Utility	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 6,225	$ 635,022	$ 641,247
Receivables	-	35,605	35,605
Due from other funds	76,572	-	76,572
Prepaid items	1,450	-	1,450
Total Current Assets	84,247	670,627	754,874
Noncurrent Assets			
Capital assets:			
Net depreciable capital assets	12,731	1,812,205	1,824,936
Total Noncurrent Assets	12,731	1,812,205	1,824,936
Total Assets	96,978	2,482,832	2,579,810
Liabilities			
Current Liabilities			
Accounts payable	$ 8,461	$ 3,227	$ 11,688
Accrued interest	-	1,861	1,861
Long-term debt due within one year	-	155,000	155,000
Total Current Liabilities	8,461	160,088	168,549
Noncurrent Liabilities			
Long-term debt due in more than one year	-	686,939	686,939
Total Liabilities	8,461	847,027	855,488
Net Position			
Net investment in capital assets	12,731	970,266	982,997
Unrestricted	75,786	665,539	741,325
Total Net Position	$ 88,517	$ 1,635,805	$ 1,724,322

See Notes to Financial Statements.

Town of Trophy Club, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	Trophy Club Park	Storm Drainage Utility	Total
Operating Revenues			
Charges for services	$ 99,351	$ 439,944	$ 539,295
Intergovernmental revenues	3,360	-	3,360
Total Operating Revenues	102,711	439,944	542,655
Operating Expenses			
Salaries and benefits	38,873	-	38,873
Supplies and materials	11,836	-	11,836
Repairs and maintenance	22,827	-	22,827
Utilities	6,614	5,200	11,814
Other operating expenses	39,649	55,554	95,203
Depreciation	2,387	51,083	53,470
Total Operating Expenses	122,186	111,837	234,023
Operating Income (Loss)	(19,475)	328,107	308,632
Nonoperating Revenues (Expenses)			
Investment income	-	11,818	11,818
Interest and fiscal expense	-	(19,533)	(19,533)
Total Nonoperating Revenues (Expenses)	-	(7,715)	(7,715)
Income Before Transfers	(19,475)	320,392	300,917
Transfers			
Transfers (out)	(20,000)	(66,937)	(86,937)
Total Transfers	(20,000)	(66,937)	(86,937)
Change in Net Position	(39,475)	253,455	213,980
Beginning net position	127,992	1,382,350	1,510,342
Ending Net Position	$ 88,517	$ 1,635,805	$ 1,724,322

See Notes to Financial Statements.

Town of Trophy Club, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2019

	Trophy Club Park	Storm Drainage Utility	Total
Cash Flows from Operating Activities			
Payments to employees	$ (38,873)	$ -	$ (38,873)
Payments to suppliers	(166,305)	(65,381)	(231,686)
Receipts from customers	102,711	438,599	541,310
Net Cash Provided (Used) by Operating Activities	(102,467)	373,218	270,751
Cash Flows from Noncapital Financing Activities			
Transfers (out)	(20,000)	(66,937)	(86,937)
Net Cash Provided (Used) by Noncapital Financing Activities	(20,000)	(66,937)	(86,937)
Cash Flows from Capital and Related Financing Activities			
Interest paid on capital debt	-	(24,277)	(24,277)
Principal paid on capital debt	-	(155,000)	(155,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(179,277)	(179,277)
Cash Flows from Investing Activities			
Interest on investments	-	11,818	11,818
Net Cash Provided by Investing Activities	-	11,818	11,818
Net Increase (Decrease) in Cash and Cash Equivalents	(122,467)	138,822	16,355
Beginning cash and cash equivalents	128,692	496,200	624,892
Ending Cash and Cash Equivalents	$ 6,225	$ 635,022	$ 641,247

See Notes to Financial Statements.

Town of Trophy Club, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2019

	Trophy Club Park	Storm Drainage Utility	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ (19,475)	$ 328,107	$ 308,632
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	2,387	51,083	53,470
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	-	(1,345)	(1,345)
Prepaid	(875)	-	(875)
Increase (Decrease) in:			
Accounts payable	(7,090)	(4,627)	(11,717)
Due to other funds	(842)	-	(842)
Due from other funds	(76,572)	-	(76,572)
Net Cash Provided (Used) by Operating Activities	$ (102,467)	$ 373,218	$ 270,751

See Notes to Financial Statements.

TOWN OF
TROPHY CLUB

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Trophy Club (the "Town") is a "home rule town" incorporated in 1985. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: council, public safety (police and emergency medical services), parks, public works (public improvements, streets, planning and zoning), and general administrative services.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally Accepted Accounting Principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the Town are described below.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Financial Reporting Entity

The Town of Trophy Club is a municipal corporation governed by an elected mayor and a six-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

Discretely Presented Component Units

4B Economic Development Corporation

The 4B Economic Development Corporation ("4B") serves all citizens of the Town and is governed by a board appointed by the Town's elected council. The 4B does not provide services entirely, or almost entirely to the Town, nor does it maintain debt of any type that are repaid using Town resources. Accordingly, the 4B has been reported as a discretely presented component unit. The 4B corporation is supported by a half-cent sales tax. The scope of public service of the 4B benefits citizens and is operated within the geographic boundaries of the Town.

Tax Increment Reinvestment Zone #1

The Tax Increment Reinvestment Zone #1 ("TIRZ") serves all citizens of the Town and is governed by a board appointed by the Town's elected council. The TIRZ does not provide services entirely, or almost entirely to the Town, nor does it maintain debt of any type that are repaid using Town resources. Accordingly, the TIRZ has been reported as a discretely presented component unit. The scope of public service of the TIRZ benefits citizens and is operated within the geographic boundaries of the Town.

Crime Control and Prevention District

The Crime Control and Prevention District ("CCPD") was formed under Chapter 363 of the Texas Local Government Code, the Crime Control and Prevention Act. The CCPD is organized exclusively to act on behalf of the Town to finance crime control within the Town. The CCPD is governed by a seven-member board appointed by the Town Council. The annual budget and issuance of debt must be approved by the Town Council. Since the CCPD does not provide services entirely, or almost entirely to the Town, nor does it maintain debt of any type that are repaid using Town resources, it has been reported as a blended component unit.

Separate financial statements for the individual component units are not prepared.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has three discretely presented component units which are shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The government reports the following major governmental funds:

General Fund

The General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the Town. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Projects Fund

The Capital Projects Fund is used to account for funds received and expended for acquisition and construction of infrastructure and other capital assets.

Public Improvement District (PID) No. 1

This fund accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town for the Public Improvement District.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the Town

accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the Town include enterprise funds.

The government reports the following major proprietary funds:

Trophy Club Park Fund

The Trophy Club park fund is utilized to account for funds received and expended for the maintenance of park land.

Storm Drainage Utility Fund

The storm drainage fund accounts for the storm drainage utility fee designated for the maintenance of the Town's storm drainage system.

Additionally, the Town reports for the following Non-major governmental funds:

Hotel Occupancy Tax Fund

This fund is used to account for local hotel and motel occupancy tax receipts, as well as expenses (events).

Street Maintenance Sales Tax Fund

Accounts for sales taxes specifically restricted for street improvements.

Court Technology Fund

Accounts for court fees specifically restricted for court technology expenses.

Court Security Fund

Accounts for court fees specifically restricted for court security expenses.

Recreation Programs Fund

Accounts for revenues and expenditures associated with recreational programs.

Grant Fund

This fund is used to account for grant monies received by and expended by the Town.

Park Land Dedication Fund

This fund is used to account for park revenues received by and expended by the Town.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.
The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

E. Assets, Liabilities, Deferred Outflows/Inflows, and Fund Equity or Net Position

1. Deposits and Investments

The Town's cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Because the Town, at its option, can withdraw funds within a twenty-four hour period from TexPool and Texas Class, these investments are considered to be cash equivalents.
State statutes authorize the Town to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) – (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the Town, and placed through a primary government securities dealer. The Town's investments are governed by the same state statutes.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2. Fair Value

The Town has applied Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current

portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventory is carried at historical cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

5. Restricted Assets

Certain proceeds of governmental and enterprise fund cash and investments are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, legal restrictions, or restrictions in place by outside parties.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession are recorded at acquisition value on the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Buildings	30 Years
Improvements other than buildings	10-30 Years
Improvements other than buildings (streets)	30 Years
Machinery and equipment	7-15 Years
Vehicles	5-10 Years
Water system	25 Years
Infrastructure (storm drainage system)	40 Years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results form the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Accumulated Vacation, Compensated Time and Sick Leave

It is the Town's policy to permit employees to accumulate earned but unused vacation pay benefits. No liability is reported for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is

reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.
Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarial calculations for estimated future payments of benefits and refunds over the twelve months following yearend.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Other Postemployment Benefits ("OPEB")

The Town has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDB covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDB is considered to be an unfunded OPEB plan. For purposes of reporting under GASB No. 75, the retiree portion of the SDB is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is $7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

In addition to the contributions made to TMRS, the Town provides post-employment medical, dental, and vision benefits for eligible retirees, their spouses and dependents through a single-employer plan with United Healthcare, which covers both active and retired members. Regular full-time employees retiring from the Town have the option to continue medical insurance coverage until the retiree becomes eligible for Medicare or is eligible to be covered under another medical plan.

12. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

13. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to

consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

14. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (Council) has by resolution authorized the Director of Administrative and Financial Services to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The general fund is the only fund that reports a positive unassigned fund balance amount.

The Town Council adopted a fund balance policy in September 2011 which established new fund balance categories (as recommended by Statement No. 54 by the Governmental Accounting Standards Board) and established a minimum unassigned fund balance goal (30% of annual operating expenditures).

15. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the Town.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating

revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for the general, PID, court technology, court security, street maintenance, hotel/motel tax, crime control and prevention, recreation programs, debt service fund capital projects, and enterprise funds. The original budget is adopted by the Town Council prior to the beginning of the year. The legal level of control as defined by the Town Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without Town Council approval. Appropriations lapse at the end of the year. During the fiscal year ended September 30, 2019, final general fund budgeted revenue was projected to be $106,390 more than the original budget. Final budgeted expenditures increased $76,910 compared to the original budget.

As of September 30, 2019, expenditures exceeded appropriations at the legal level of control for the General fund and Street Maintenance fund in the amounts of $29,094 and $6,383, respectively.

A. Restricted Net Position

The Town records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted net position for the primary government was $6,112,682. Of which, $30,036 and $1,313,981, a total of $1,344,017, is restricted by enabling legislation.

B. Deficit Equity

At September 30, 2019, the Component Units, 4B Economic Corporation and Tax Increment Reinvestment Zone #1 had a deficit fund balance of $32,312 and $552,683, respectively. The deficit balances will be eliminated in the future through future sales taxes received by the Economic Corporation and as assessed values continue to increase as a result of growth and development within the TIRZ.

NOTE 4. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The Town's cash deposits at September 30, 2019 and during the year ended September 30, 2019 were entirely covered by FDIC insurance or by pledged collateral held by the Town's agent bank in the Town's name.

Legal and contractual provisions governing deposits and investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Town to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, and (8) investment staff quality and capabilities.

The Act also requires the Town to have independent auditors perform test procedures related to investment practices as provided by the Act. The Town is in substantial compliance with the requirements of the Act and with local policies.

As of September 30, 2019, the Town had the following investments:

Investment Type	Carrying Value	Weighted Average Maturity (Years)
Certificates of deposit	$ 3,630,869	0.37
External investment pools	1,833,038	0.12
Total fair value	$ 5,463,907	
Portfolio weighted average maturity		0.29

Interest rate risk: In compliance with the Town's Investment Policy, as of September 30, 2019, the Town minimized the interest rate risk, related to current events market turmoil in the portfolio by: limiting the effective duration of security types not to exceed two years with the exception of securities purchases related to reserve funds; structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing operating funds primarily in short-term securities, money market mutual funds, or similar government investment pools.

Credit risk: The Town's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2019, all of the Town's purchased investments in U.S. Agencies Obligations were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2019, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy requires that it will seek to safeguard securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the Town's safeguard account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2019, the fair value of the position in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

Texas CLASS

Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAm' by Standard and Poor's Ratings Services. The 'AAAm' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management. At September 30, 2019, the fair value of the position in Texas CLASS approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

	General	Debt Service	PID No. 1	Nonmajor Governmental	Storm Drainage Utility	Total
Property taxes	$ 71,994	$ 21,929	$ -	$ -	$ -	$ 93,923
Sales tax	175,126	-	-	43,782	-	218,908
Franchise taxes	67,872	-	-	-	-	67,872
Hotel occupancy	-	-	-	72,500	-	72,500
Special assessments	-	-	25,260,000	-	-	25,260,000
Municipal court	72,534	-	-	-	-	72,534
EMS	180,485	-	-	-	-	180,485
Storm drainage	-	-	-	-	35,605	35,605
Park services	376	-	-	-	-	376
Other	42,626	-	-	-	-	42,626
Allowance	(71,448)	-	-	-	-	(71,448)
Total	$ 539,565	$ 21,929	$ 25,260,000	$ 116,282	$ 35,605	$ 25,973,381

The following comprise receivable balances of the component units at year end:

	4B Economic Corporation	Crime Control and Prevention	Total
Sales taxes	$ 87,563	$ 43,158	$ 130,721
Total	$ 87,563	$ 43,158	$ 130,721

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 10,463,669	$ -	$ -	$ 10,463,669
Construction in progress	798,062	2,293,432	(264,732)	2,826,762
Total capital assets not being depreciated	11,261,731	2,293,432	(264,732)	13,290,431
Capital assets, being depreciated:				
Buildings	11,877,299	-	-	11,877,299
Improvements other than buildings	57,777,332	2,416,916	-	60,194,248
Machinery and equipment	2,780,986	207,328	-	2,988,314
Vehicles	1,279,566	69,404	264,732	1,613,702
Water system	5,362,005	-	-	5,362,005
Infrastructure	14,332,062	-	-	14,332,062
Total capital assets being depreciated	93,409,250	2,693,648	264,732	96,367,630
Less accumulated depreciation				
Buildings	1,232,260	417,984	-	1,650,244
Improvements other than buildings	24,400,242	2,022,981	-	26,423,223
Machinery and equipment	1,561,234	252,095	-	1,813,329
Vehicles	957,759	123,784	-	1,081,543
Water system	1,279,083	175,123	-	1,454,206
Infrastructure	5,556,502	364,372	-	5,920,874
Total accumulated depreciation	34,987,080	3,356,339	-	38,343,419
Net capital assets being depreciated	58,422,170	(662,691)	264,732	58,024,211
Total capital assets	$ 69,683,901	$ 1,630,741	$ -	$ 71,314,642

Depreciation expense was charged to governmental functions as follows:

General government	$ 438,221
Emergency medical services	43,905
Information systems	43,543
Police	133,529
Fire	5,218
Parks and recreation	740,483
Streets (Infrastructure)	1,951,440
Total Governmental Activities Depreciation Expense	$ 3,356,339

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, being depreciated:				
Machinery and equipment	$ 24,112	$ -	$ -	$ 24,112
Infrastructure	2,039,766	-	-	2,039,766
Total capital assets being depreciated	2,063,878	-	-	2,063,878
Less accumulated depreciation				
Machinery and equipment	8,993	2,387	-	11,380
Infrastructure	176,479	51,083	-	227,562
Total accumulated depreciation	185,472	53,470	-	238,942
Net capital assets being depreciated	1,878,406	(53,470)	-	1,824,936
Total capital assets	$ 1,878,406	$ (53,470)	$ -	$ 1,824,936

Depreciation expense was charged to business-type activities as follows:

Trophy Club Park	$ 2,387
Storm Drainage Utility	51,083
Total Business-Type Activities Depreciation Expense	$ 53,470

A summary of changes in discretely presented component unit activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 2,538,765	$ -	$ -	$ 2,538,765
Construction in progress	106,950	261,010	(367,960)	-
Total capital assets not being depreciated	2,645,715	261,010	(367,960)	2,538,765
Capital assets, being depreciated:				
Infrastructure	-	-	367,960	367,960
Total capital assets being depreciated	-	-	367,960	367,960
Less accumulated depreciation				
Infrastructure	-	8,177	-	8,177
Total accumulated depreciation	-	8,177	-	8,177
Net capital assets being depreciated	-	(8,177)	367,960	359,783
Total capital assets	$ 2,645,715	$ 252,833	$ -	$ 2,898,548

D. Long-term Debt

The Town periodically issues general obligation bonds and contractual obligations to provide funds for general government purposes. The Town also periodically utilizes notes and capital leases to provide financing for general government purposes. In general, the Town uses the debt service fund and general fund to liquidate governmental long-term liabilities, with the exception of special assessment bonds which are fully covered by assessment receivables. The following is a summary of changes in the Town's total long-term liabilities for the year ended September 30, 2019.

	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	$ 10,640,000	$ -	$ (835,000)	$ 9,805,000	$ 870,000
Certificates of Obligation	11,415,000	-	(778,000)	10,637,000	848,000
Special Assessment Bonds	25,285,577	-	(25,577)	25,260,000	1,275,000
Less deferred amounts:					
For premiums	4,457,420	-	(297,038)	4,160,382	-
Total Bonds Payable	51,797,997	-	(1,935,615)	49,862,382	2,993,000
Capital lease	173,280	-	(85,075)	88,205	88,205
Total Governmental Activities	$ 51,971,277	$ -	$ (2,020,690)	$ 49,950,587	$ 3,081,205
	Long-term liabilities due in more than one year			$ 46,869,382	
Business-Type Activities:					
Certificates of Obligation	$ 980,000	$ -	$ (155,000)	$ 825,000	$ 155,000
Less deferred amounts:					
For premiums	21,358	-	(4,419)	16,939	-
Total Business-Type Activities	1,001,358	-	(159,419)	841,939	155,000
	Long-term liabilities due in more than one year			$ 686,939	
Component Unit Activities:					
Certificates of Obligation	$ 2,385,000	$ -	$ (105,000)	$ 2,280,000	$ 105,000
Less deferred amounts:					
For discounts	(22,542)	-	1,333	(21,209)	-
Total Component Unit Activities	$ 2,362,458	$ -	$ (103,667)	$ 2,258,791	$ 105,000
	Long-term liabilities due in more than one year			$ 2,153,791	

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The Town intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt

service fund as has been done in prior years. The special assessment bonds are fully offset by assessment receivables. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. Capital leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset. As of September 30, 2019, the total net carrying value of the capital lease assets was $240,465. Long-term debt at year end was comprised of the following debt issues:

Governmental Activities:	Interest	Year of	Final	Average Annual	Original	Balance
Description	Rate	Issue	Maturity	Payment	Amount	9/30/2019
General Obligation Bonds:						
Improvements	3.00 - 4.13 %	2010	2030	$ 250,000	$ 5,000,000	$ 3,310,000
Refunding	2.00 - 4.00 %	2010	2022	232,500	2,790,000	605,000
Refunding	2.18 %	2015	2025	203,000	2,030,000	1,390,000
Improvements	2.00-3.00 %	2016	2036	262,250	5,245,000	4,500,000
						$ 9,805,000
Certificate of Obligations:						
Combination Tax and Revenue-Series 2004	3.50 - 4.75 %	2004	2024	$ 32,500	$ 650,000	$ 167,000
Certificates of Obligation Series 2013	2.50 - 3.25 %	2013	2028	86,667	1,300,000	920,000
Certificates of Obligation Series 2014	2.00 - 3.75 %	2014	2034	125,000	2,500,000	2,010,000
Certificates of Obligation Series 2016	2.00-4.00 %	2016	2036	210,500	4,210,000	3,760,000
Certificates of Obligation Series 2017	2.50-3.00 %	2017	2037	222,250	4,445,000	3,780,000
						$ 10,637,000
Special Assessments:						
Special Assessment Revenue Refunding-Series 2015	2.00-4.00 %	2015	2033	$ 1,453,054	$ 26,154,979	25,260,000
						$ 25,260,000
Capital Leases:						
Capital Lease - Series 2018	3.68 %	2018	2020	$ 88,244	$ 264,732	88,205
						$ 88,205

The PID special assessment bonds are secured solely by the pledged property assessments revenue for the related properties within the Trophy Club PID 1 area. The debt is repaid with property assessments by the respective property owners. The Town is not obligated to pay the bonds from any funds raised from taxation or from any other revenues available to the Town. The Town, through their designed trustee and third-party administrator, set up a separate fund used to service the bond, collect the property assessments, and for initiating any future foreclosures.

Business-type Activities:

Description	Interest Rate	Year of Issue	Final Maturity	Average Annual Payment	Original Amount	Balance 9/30/2019
Certificates of Obligation Series 2013	2.50 - 3.00 %	2013	2024	$ 154,545	$ 1,700,000	$ 825,000
						$ 825,000

Component-Unit Activities:

Description	Interest Rate	Year of Issue	Final Maturity	Average Annual Payment	Original Amount	Balance 9/30/2019
Certificates of Obligation Series 2015	1.00 - 4.75 %	2015	2035	$ 134,500	$ 2,690,000	$ 2,280,000
						$ 2,280,000

The annual requirements to amortize long-term debt outstanding of governmental activities as of September 30, 2019, are as follows:

Governmental Activities

General Obligation Bonds

Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest	Total Requirements
2020	$ 870,000	$ 302,983	$ 1,172,983
2021	890,000	276,287	1,166,287
2022	925,000	246,891	1,171,891
2023	740,000	216,327	956,327
2024-2028	3,310,000	743,920	4,053,920
2029-2033	2,135,000	279,744	2,414,744
2034-2037	935,000	51,838	986,838
Total	$ 9,805,000	$ 2,117,990	$ 11,922,990

Certificates of Obligation Bonds

Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest	Total Requirements
2020	$ 848,000	$ 314,683	$ 1,162,683
2021	563,000	288,397	851,397
2022	588,000	269,358	857,358
2023	608,000	251,275	859,275
2024-2028	3,190,000	975,340	4,165,340
2029-2033	2,960,000	552,763	3,512,763
2034-2037	1,880,000	123,600	2,003,600
Total	$ 10,637,000	$ 2,775,416	$ 13,412,416

Special Assessment Bonds

Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest	Total Requirements
2020	$ 1,275,000	$ 977,380	$ 2,252,380
2021	1,340,000	914,705	2,254,705
2022	1,400,000	914,705	2,314,705
2023	1,469,000	914,705	2,383,705
2024-2028	8,619,000	4,573,525	13,192,525
2029-2033	11,157,000	4,510,100	15,667,100
Total	$ 25,260,000	$ 12,805,120	$ 38,065,120

Capital Lease

Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest	Total Requirements
2020	$ 88,205	$ 3,246	$ 91,451
Total	$ 88,205	$ 3,246	$ 91,451

The general fund has been used to liquidate compensated absences and capital lease liabilities.

The annual requirements to amortize long-term debt outstanding of business-type activities as of September 30, 2019, are as follows:

Business-Type Activities

Year Ending September 30,	Certificates of Obligation Principal	Certificates of Obligation Interest	Total Requirements
2020	$ 155,000	$ 20,400	$ 175,400
2021	160,000	16,462	176,462
2022	165,000	12,194	177,194
2023-2027	350,000	10,213	360,213
Total	$ 830,000	$ 83,544	$ 1,068,544

The annual requirements to amortize long-term debt outstanding of component units as of September 30, 2019, are as follows:

Component-Unit Activities

Year Ending September 30,	Certificates of Obligation Principal	Certificates of Obligation Interest	Total Requirements
2020	$ 105,000	$ 96,555	$ 201,555
2021	110,000	93,668	203,668
2022	110,000	90,258	200,258
2023-2027	625,000	385,143	1,010,143
2028-2032	775,000	241,050	1,016,050
2033-2037	555,000	53,675	608,675
Total	$ 2,280,000	$ 960,348	$ 3,240,348

E. Other Long-term Liabilities

The following summarizes the changes in other long-term liabilities of the primary government during the year.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	$ 284,527	$ 20,758	$ -	$ 305,285	$ 274,757
Total Governmental Activities	$ 284,527	$ 20,758	$ -	$ 305,285	$ 274,757

The general fund has typically been used to liquidate the liability for compensated absences for governmental activities.

F. Deferred Charges on Refunding

A deferred charge resulting from the issuance of the 2010 and 2015 general obligation refunding bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. The net balance outstanding as of September 30, 2019 was $2,946,316 for government-type activity reflected in the government-wide statements. Current year amortization expense totaled $206,009.

G. Interfund Transactions

A summary of interfund receivables and payables balances at September 30, 2019 is as follows:

	Due to (Payable Fund):		
Due from (Receiving Fund):	Park Land Dedication	Capital Projects	Total
General Fund	$ -	$ 273,096	$ 273,096
Debt Service Fund	-	455,509	455,509
Hotel Occupancy Fund	258,831	390,264	649,095
Trophy Club Park	-	76,572	76,572
Total	$ 258,831	$ 1,195,441	$ 1,454,272

Interfund balances resulted from the timing difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All balances are expected to be paid in the subsequent year.

Transfers between funds during the year are as follows:

	Transfer In:		
Transfer Out:	General	Debt Service	Total
Court Security Fund	$ 3,000	$ -	$ 3,000
Trophy Club Park	20,000	-	20,000
Storm Drainage Utility Fund	40,000	26,937	66,937
Total	$ 63,000	$ 26,937	$ 89,937

Transfers were primarily used to support debt service, capital expenditures, and to transfer funds to the general fund for administrative costs.

NOTE 5. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The Town participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool that retains the risk of loss beyond the Town's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the Town's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Contingent Liabilities

The Town is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the Town does not expect them to have a materially adverse effect on the basic financial statements.

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Contingencies

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

D. Defined Benefit Pension Plans

Texas Municipal Retirement System

Plan Description

The Town of Trophy Club, Texas participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member board of trustees. Although the Governor, with the advice and consent of the Senate, appoints the board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Comprehensive Annual Financial Report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan provisions for the Town were as follows:

	Plan Year 2018	Plan Year 2017
Employee deposit rate	7%	7%
Matching ratio (town to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	30% of CPI repeating	30% of CPI repeating

The Town also participates in Social Security.

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	107
Active employees	77
Total	221

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town of Trophy Club, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town of Trophy Club, Texas were 12.78% and 12.95% in calendar years 2018 and 2019, respectively. The Town's contributions to TMRS for the year ended September 30, 2019, were $728,070 and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7.0% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/17	**$** 18,576,331	**$** 17,206,861	**$** 1,369,470
Changes for the year:			
Service Cost	863,553	-	863,553
Interest	1,263,163	-	1,263,163
Difference between expected and actual experience	(258,925)	-	(258,925)
Changes of assumptions	-	-	-
Contributions – employer	-	633,832	(633,832)
Contributions – employee	-	347,155	(347,155)
Net investment income	-	(515,889)	515,889
Benefit payments, including refunds of emp. contributions	(589,161)	(589,161)	-
Administrative expense	-	(9,961)	9,961
Other changes	-	(520)	520
Net changes	1,278,630	(134,544)	1,413,174
Balance at 12/31/18	**$** 19,854,961	**$** 17,072,317	**$** 2,782,644

The Town uses the general fund to liquidate pension liabilities.

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 5,953,952	$ 2,782,644	$ 235,114

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2019, the Town recognized a pension expense of $776,296. This amount is included as part of expenses within the functional program activities.

At September 30, 2019, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Difference between projected and actual investment earnings	$ 886,093	$ -
Differences between expected and actual economic experience	-	314,807
Contributions subsequent to the measurement date	554,312	-
Total	$ 1,440,405	$ 314,807

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $554,312 will be recognized as a reduction of the net pension liability for the year ending September 30, 2020.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	$ 101,104
2020	37,924
2021	96,787
2022	335,471
2023	-
Thereafter	-
	$ 571,286

E. Postemployment Benefits Other Than Pensions

The Town also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as

the Supplemental Death Benefits Fund (SDBF). The Town elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The Town may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB.

The Town offers supplemental death to:	Plan Year 2018	Plan Year 2017
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	27
Active employees	77
Total	130

The Town's contributions to the TMRS SDBF for the years ended 2019, 2018 and 2017 were $1,128, $982 and $912, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2017	0.02%	0.02%	100.0%
2018	0.02%	0.02%	100.0%
2019	0.02%	0.02%	100.0%

Total OPEB Liability

The Town's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2018, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	3.71%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.71%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, calculated using the discount rate of 3.71%, as well as what the Town's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

1% Decrease (2.71%)	Current Single Rate Assumption 3.71%	1% Increase (4.71%)
$ 232,634	$ 188,329	$ 155,056

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/17	**$** 187,658
Changes for the year:	
Service Cost	12,386
Interest	6,400
Difference between expected and actual experience	(887)
Changes of assumptions	(16,237)
Benefit payments	(991)
Net changes	671
Balance at 12/31/18	**$** 188,329

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the Town recognized OPEB expense of $18,834.

At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	2,094
Changes in assumptions	-	731
Contributions subsequent to measurement date	856	-
Total	**$** 856	**$** 2,825

The Town reported $856 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2020.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	$ 48
2020	48
2021	48
2022	(870)
2023	(2,099)
Thereafter	-
	$ (2,825)

F. Other Post-Employment Benefits

Plan Description

The Town provides post-employment medical, dental, and vision benefits (OPEB) for eligible retirees, their spouses and dependents through a single-employer plan with United Healthcare, which covers both active and retired members.

As of September 30, 2019, membership consisted of:

Retirees or beneficiaries currently receiving benefits	-
Active employees	77
Total	77

The three optional benefit levels, Plan 05X8617, 05X8569 and 05X8589, are the same for retirees as those afforded to active employees. Regular full-time employees retiring from the Town have the option to continue medical insurance coverage until the retiree becomes eligible for Medicare or is eligible to be covered under another medical plan.

Funding Policy

The benefit levels and contribution rates are approved annually by the Town management and the Town Council as part of the budget process. By the Town not contributing anything toward this plan in advance, the Town employs a pay-as-you-go method through ensuring the annual retiree contributions are equal to the benefits that are paid on behalf of the retirees.

The monthly retiree health coverage contribution rates for offered benefit levels are as follows:

	High Plan 05X8589	Standard Plan 05X8569	HSA Plan 05X8617
Single Coverage	$ 488	$ 440	$ 330
Single + Spouse	$ 1,302	$ 1,174	$ 881
Single + Children	$ 923	$ 832	$ 625
Single + Family	$ 1,641	$ 1,479	$ 1,111

An irrevocable trust has not been established; therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Annual OPEB Expense and Net OPEB Liability

The Town's annual OPEB cost is calculated based on actuarially assumptions determined in accordance with the parameters of GASB 75.

The following table shows the components of the Town's annual OPEB expense for the year, the amount contributed to the plan, and changes in the Town's net OPEB liability.

Service cost	$	5,389
Interest Cost		2,101
Annual OPEB cost expense		7,490
Contributions made		-
Change in net OPEB liability		7,490
Net OPEB Liability-beginning of year		51,759
Net OPEB Liability-end of year	$	59,249

The Town's annual OPEB expense, the percentage of annual OPEB expense contributed to the plan, and the net OPEB liability for 2019 and the preceding year are as follows:

Fiscal Year	Annual OPEB Expense	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability Beginning	Net OPEB Liability Ending
2017	$ 15,640	0.00%	$ 28,921	$ 44,561
2018	$ 7,198	0.00%	$ 44,561	$ 51,759
2019	$ 7,490	0.00%	$ 51,759	$ 59,249

Funded Status and Funding Progress

No changes were made in the actuarial assumptions since the projections are based on the assumptions shown in the September 30, 2018 valuation report.

The data used in the roll forward of the September 30, 2018 valuation results remain unchanged from that used in the fiscal year 2018 GASB 75 actuarial valuation report. The data reflects the plan census as of September 30, 2018.

Since the September 30, 2018 valuation results were rolled forward there are no liability gains or losses for the projection period.

As of September 30, 2019, the actuarial accrued liability for benefits was $59,249, all of which was unfunded. The actuarial accrued liability for benefits was determined based on the September 30, 2018 valuation, the most recent actuarial valuation date available. The covered payroll (annual payroll of active employees covered by the plan) for fiscal year 2019 was $3,662,902, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 1.62%.

Actuarial valuations of an ongoing program involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the Program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Program, assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

The Net OPEB Liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Health care cost trend	Level 5.00%
Discount rate	4.06% (1.06% real rate of return plus 3.00% inflation)
Salary scale	3.50%
Mortality	RPH-2014 Total Table with Projection MP-2018

Projections of benefits are based on a substantive plan (the plan understood by the employer and plan members) and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the Town and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

The GASB statement requires that the discount rate used to determine the plan liabilities for retiree healthcare benefits be based on the earnings rate of the plan assets if the projected assets are sufficient to cover the projected benefit payments. If the projected assets are not sufficient then a municipal bond index rate must be used for discounting benefits not covered by the projected assets. Since there are no plan assets held in trust the Bond Buyer GO Bond 20 Index is used for determining the discount rate of 4.06%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, calculated using the discount rate of 4.06%, as well as what the Town's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current rate:

1% Decrease (3.06%)	Current Single Rate Assumption 4.06%	1% Increase (5.06%)
$ 53,071	$ 59,249	$ 66,200

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend

The following presents the total OPEB liability sensitivity of the Town using the healthcare cost trend:

1% Decrease (3.06%)	Current Healthcare Cost Trend	1% Increase (5.06%)
$ 51,354	$ 59,249	$ 68,672

G. PUBLIC IMPROVEMENT DISTRICT NO. 1

On May 7, 2007, the Trophy Club Town Council approved Resolution 2007-08 authorizing and providing for the creation of a Public Improvement District. Trophy Club Public Improvement District No.1 consists of approximately 609.68 acres within the corporate limits of the Town of Trophy Club. This District was created in accordance with Chapter 372 of the Texas Local Government Code.

On December 13, 2007 the Trophy Club Town Council approved the issuance and sale of $27,500,000 in bonds, known as Trophy Club Public Improvement District No. 1 Special Assessment Revenue Bonds, Series 2007. These bonds were authorized in order to finance the authorized improvements found in the Service and Assessment Plan. An assessment on each property located in the District will repay the bonds.

The Service and Assessment Plan included the following projects: thoroughfare improvements, water distribution system improvements, wastewater collection system improvements, trails and open space, elevated water storage, thoroughfare landscaping and irrigation, screening walls and entry features, public parks, drainage improvements, and construction administration.

In December, 2015, the Town refunded the Public Improvement District No. 1 bonds. Total interest savings for the over 1,400 residences in the Public Improvement District exceeded $16.4M, with a net present value savings of over 33% of the refunded amount.

H. TAX INCENTIVES

Chapter 380 of the Texas Tax Code authorizes allows the governing body of a municipality to establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality. As of September 30, 2019 the Town of Trophy Club, Texas had no tax incentives.

I. RESTATEMENT

The Town restated beginning net position/fund balance within governmental activities and discretely present component unit activities to correct accounting errors related to accrued receivables and capital assets. In addition, the Crime Control and Prevention fund was reclassified from a nonmajor governmental fund to a discretely presented component unit.

The restatement of beginning net position/fund balance is as follows:

	Governmental Activities	General Fund	Nonmajor Governmental
Prior year ending net position/fund balance, as reported	$ 35,869,255	$ 5,551,378	$ 1,453,605
Correction to capital asset balances	(66,842)	-	-
Correction to accrued receivables	(110,860)	(110,860)	-
Correct reporting of assessment receivables	25,285,577	-	-
Change in fund reporting - major fund to discretely presented component unit	(77,610)	-	(77,610)
Restated beginning net position/fund balance	$ 60,899,520	$ 5,440,518	$ 1,375,995

	Component Units	Economic Corporation	Crime Control Prevention
Prior year ending net position, as reported	$ 221,850	$ 814,202	$ -
To correct capital assets	106,949	106,949	-
To change presentation of component unit	77,610	-	77,610
Restated beginning net position	$ 406,409	$ 921,151	$ 77,610

J. SUBSEQUENT EVENTS

There were no material subsequent events through March 17, 2020, the date the financial statements were issued.

TOWN OF
TROPHY CLUB

REQUIRED SUPPLEMENTARY INFORMATION

Town of Trophy Club, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)

GENERAL FUND

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues					
Property tax	$ 6,838,589	$ 6,838,589	$ 6,746,579	$ (92,010)	
Sales tax	946,711	946,711	1,023,120	76,409	
Franchise and local taxes	805,087	805,087	911,738	106,651	
License and permits	217,500	217,500	499,302	281,802	
Intergovernmental	674,452	674,452	674,452	-	
Grant revenue	-	106,390	-	(106,390)	
Charges for services	794,174	794,174	764,282	(29,892)	
Fines and forfeitures	336,251	336,251	307,977	(28,274)	
Investment income	45,000	45,000	206,601	161,601	
Other revenue	121,144	121,144	391,761	270,617	
Total Revenues	10,778,908	10,885,298	11,525,812	640,514	
Expenditures					
Current:					
Manager's office	605,346	495,394	1,161,520	(666,126)	
Human resources	463,993	473,228	428,739	44,489	
Finance	567,277	573,999	526,601	47,398	
Municipal court	86,962	86,962	66,879	20,083	
Police	2,411,786	2,451,148	2,483,871	(32,723)	
Fire	1,273,919	1,357,269	1,303,324	53,945	
Facilities management	339,477	340,561	319,018	21,543	
Emergency medical services	1,243,579	1,257,718	1,117,273	140,445	
Streets	218,764	219,625	191,463	28,162	
Community development	655,775	663,679	568,239	95,440	
Parks and recreation	2,426,951	2,445,426	2,196,541	248,885	
Legal	127,230	127,230	127,898	(668)	
Information services	679,014	684,744	623,819	60,925	
Debt service:					
Principal	-	-	85,075	(85,075)	
Interest	-	-	5,817	(5,817)	
Total Expenditures	11,100,073	11,176,983	11,206,077	(29,094)	*
Revenues Over (Under)	(321,165)	(291,685)	319,735	611,420	

Town of Trophy Club, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)

GENERAL FUND

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers in	63,000	63,000	63,000	-
Total Other Financing Sources	63,000	63,000	63,000	-
Net Change in Fund Balance	$ (258,165)	$ (228,685)	382,735	$ 611,420
Beginning fund balance			5,440,518	
Ending Fund Balance			$ 5,823,253	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level on control.

Town of Trophy Club, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2018	12/31/2017	12/31/2016
Total pension liability			
Service cost	$ 863,553	$ 789,530	$ 795,448
Interest	1,263,163	1,173,728	1,113,555
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(258,925)	(62,418)	(471,044)
Changes of assumptions	-	-	-
Benefit payments, including refunds of participant contributions	(589,161)	(636,604)	(450,496)
Net change in total pension liability	1,278,630	1,264,236	987,463
Total pension liability - beginning	18,576,331	17,312,095	16,324,632
Total pension liability - ending (a)	19,854,961	18,576,331	17,312,095
Plan fiduciary net position			
Contributions - employer	$ 633,832	$ 606,585	$ 593,840
Contributions - members	347,155	323,389	329,281
Net investment income	(515,889)	2,061,434	912,155
Benefit payments, including refunds of participant contributions	(589,161)	(636,604)	(450,496)
Administrative expenses	(9,961)	(10,676)	(10,296)
Other	(520)	(541)	(555)
Net change in plan fiduciary net position	(134,544)	2,343,587	1,373,929
Plan fiduciary net position - beginning	17,206,861	14,863,274	13,489,345
Plan fiduciary net position - ending (b)	$ 17,072,317	$ 17,206,861	$ 14,863,274
Fund's net pension liability - ending (a) - (b)	$ 2,782,644	$ 1,369,470	$ 2,448,821
Plan fiduciary net position as a percentage of the total pension liability	85.99%	92.63%	85.85%
Covered payroll	**$** 4,954,406	**$** 4,619,838	**$** 4,704,011
Fund's net pension liability as a percentage of covered payroll	56.17%	29.64%	52.06%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

12/31/2015	12/31/2014 [1]
$ 804,453	$ 809,057
1,053,745	970,682
-	(1,544,038)
(237,279)	(49,303)
368,895	-
(632,921)	(450,100)
1,356,893	(263,702)
14,967,739	15,231,441
16,324,632	14,967,739
$ 658,543	$ 660,364
340,458	316,613
19,357	681,774
(632,921)	(450,100)
(11,788)	(7,117)
(582)	(585)
373,067	1,200,949
13,116,278	11,915,329
$ 13,489,345	$ 13,116,278
$ 2,835,287	$ 1,851,461
82.63%	87.63%
$ 4,863,685	$ 4,523,041
58.30%	40.93%

Town of Trophy Club, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2019	9/30/2018	9/30/2017
Actuarially determined employer contributions	$ 736,208	$ 638,736	$ 598,176
Contributions in relation to the actuarially determined contribution	$ 736,208	$ 638,736	$ 598,176
Contribution deficiency (excess)	$ -	$ -	$ -
Annual covered payroll	$ 5,640,011	$ 4,911,902	$ 4,559,463
Employer contributions as a percentage of covered payroll	13.05%	13.00%	13.12%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes	There were no benefit changes during the year.

	9/30/2016		9/30/2015 [1]
	$ 627,419	$	642,631
	$ 627,419	$	642,631
	$ -	$	-
	$ 4,822,763	$	4,617,652
	13.01%		13.92%

TOWN OF
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Town of Trophy Club, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	12/31/2017	12/31/2018 [1]
Total OPEB liability		
Service cost	$ 10,164	$ 12,386
Interest	6,033	6,400
Changes in benefit terms	-	-
Differences between expected and actual experience	-	(887)
Changes of assumptions	17,400	(16,237)
Benefit payments, including refunds of participant contributions	(924)	(991)
Net changes	32,673	671
Total OPEB liability - beginning	154,985	187,658
Total OPEB liability - ending (a)	$ 187,658	$ 188,329 [2]
Covered payroll	**$** 4,619,838	**$** 4,954,406
Total OPEB Liability as a percentage of covered employee payroll	4.06%	3.80%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

Town of Trophy Club, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS

POST EMPLOYMENT HEALTHCARE BENEFITS

Years Ended:

	9/30/2018	9/30/2019 [1]
Total OPEB liability		
Service cost	$ 5,179	$ 5,389
Interest	2,019	2,101
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments, including refunds of participant contributions	-	-
Net changes	7,198	7,490
Total OPEB liability - beginning	44,561	51,759
Total OPEB liability - ending (a)	$ 51,759	$ 59,249 [2]
Covered payroll	$ 4,911,902	$ 3,662,902
Total OPEB Liability as a percentage of covered employee payroll	1.05%	1.62%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

Town of Trophy Club, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PID No. 1

For the Year Ended September 30, 2019

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	$ 2,156,919	$ -	$ (2,156,919)
Other revenue	57,571	101,011	43,440
Total Revenues	2,214,490	101,011	(2,113,479)
Expenditures			
Current:			
PID activities	46,667	26,875	19,792
Debt service:			
Principal	1,275,000	25,577	1,249,423
Interest and fiscal charges	892,823	2,134,996	(1,242,173)
Total Expenditures	2,214,490	2,187,448	27,042
Revenues Over (Under) Expenditures	-	(2,086,437)	(2,086,437)
Net Change in Fund Balance	$ -	(2,086,437)	$ (2,086,437)
Beginning fund balance		3,882,225	
Ending Fund Balance		$ 1,795,788	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF
TROPHY CLUB

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Town of Trophy Club, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2019

	Hotel Occupancy Tax	Street Maintenance Sales Tax	Court Technology
Assets			
Cash and cash equivalents	$ 593,073	$ 51,765	$ 12,268
Taxes receivable, net	72,500	43,782	-
Due from other funds	649,095	-	-
Total Assets	$ 1,314,668	$ 95,547	$ 12,268
Liabilities			
Accounts payable	$ 687	$ 3,090	$ -
Due to other funds	-	-	-
Total Liabilities	687	3,090	-
Fund Balances			
Restricted for:			
Tourism	1,313,981	-	-
Public safety	-	-	-
Street maintenance	-	92,457	-
Court	-	-	12,268
Parks	-	-	-
Committed for:			
Recreation programs	-	-	-
Total Fund Balances	1,313,981	92,457	12,268
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,314,668	$ 95,547	$ 12,268

See notes to the financial statements

Court Security	Recreation Programs	Park Land Dedication	Grant	Total
$ 17,768	$ 3,081	$ 479,295	$ 9,886	$ 1,167,136
-	-	-	-	116,282
-	-	-	-	649,095
$ 17,768	$ 3,081	$ 479,295	$ 9,886	$ 1,932,513
$ -	$ 53	$ -	$ -	$ 3,830
-	-	258,831	-	258,831
-	53	258,831	-	262,661
-	-	-	-	1,313,981
-	-	-	9,886	9,886
-	-	-	-	92,457
17,768	-	-	-	30,036
-	-	220,464	-	220,464
-	3,028	-	-	3,028
17,768	3,028	220,464	9,886	1,669,852
$ 17,768	$ 3,081	$ 479,295	$ 9,886	$ 1,932,513

Town of Trophy Club, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2019

	Hotel Occupancy Tax	Street Maintenance Sales Tax	Court Technology
Revenues			
Sales taxes	$ -	$ 248,744	$ -
Occupancy tax	669,983	-	-
Charges for services	-	-	-
Fines and fees	-	-	2,449
Investment income	14,485	-	-
Other revenue	11,133	-	-
Total Revenues	695,601	248,744	2,449
Expenditures			
Current:			
Court	-	-	7,679
Tourism	141,261	-	-
Recreation	-	-	-
Public works	-	223,475	-
Capital outlay:			
Parks	31,045	-	-
Total Expenditures	172,306	223,475	7,679
Excess (Deficiency) of Revenues Over (Under) Expenditures	523,295	25,269	(5,230)
Other Financing Sources (Uses)			
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	523,295	25,269	(5,230)
Beginning fund balances	790,686	67,188	17,498
Ending Fund Balances	$ 1,313,981	$ 92,457	$ 12,268

See notes to the financial statements

Court Security	Recreation Programs	Park Land Dedication	Grant	Total
$ -	$ -	$ -	$ -	$ 248,744
-	-	-	-	669,983
-	5,680	-	-	5,680
1,841	-	-	-	4,290
-	-	11,870	-	26,355
-	-	-	-	11,133
1,841	5,680	11,870	-	966,185
730	-	-	-	8,409
-	-	-	-	141,261
-	6,307	-	-	6,307
-	-	-	-	223,475
-	-	258,831	-	289,876
730	6,307	258,831	-	669,328
1,111	(627)	(246,961)	-	296,857
(3,000)	-	-	-	(3,000)
(3,000)	-	-	-	(3,000)
(1,889)	(627)	(246,961)	-	293,857
19,657	3,655	467,425	9,886	1,375,995
$ 17,768	$ 3,028	$ 220,464	$ 9,886	$ 1,669,852

Town of Trophy Club, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURT TECHNOLOGY

For the Year Ended September 30, 2019

	Original & Final Budget	Court Technology	Variance with Final Budget Positive (Negative)
Revenues			
Fines and fees	$ 4,200	$ 2,449	$ (1,751)
Total Revenues	4,200	2,449	(1,751)
Expenditures			
Municipal court	8,445	7,679	766
Total Expenditures	8,445	7,679	766
Revenues Over (Under) Expenditures	(4,245)	(5,230)	(985)
Net Change in Fund Balances	$ (4,245)	(5,230)	$ (985)
Beginning fund balances		17,498	
Ending Fund Balances		$ 12,268	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Trophy Club, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURT SECURITY

For the Year Ended September 30, 2019

	Original & Final Budget	Court Security	Variance with Final Budget Positive (Negative)
Revenues			
Fines and fees	$ 3,600	$ 1,841	$ (1,759)
Total Revenues	3,600	1,841	(1,759)
Expenditures			
Municipal court	1,150	730	420
Total Expenditures	1,150	730	420
Revenues Over Expenditures	2,450	1,111	(1,339)
Other Financing (Uses)			
Transfers (out)	(3,000)	(3,000)	-
Total Other Financing (Uses)	(3,000)	(3,000)	-
Net Change in Fund Balances	$ (550)	(1,889)	$ (1,339)
Beginning fund balances		19,657	
Ending Fund Balances		$ 17,768	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Trophy Club, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STREET MAINTENANCE

For the Year Ended September 30, 2019

	Original & Final Budget	Street Maintenance	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 226,678	$ 248,744	$ 22,066
Total Revenues	226,678	248,744	22,066
Expenditures			
Streets	217,092	223,475	(6,383)
Total Expenditures	217,092	223,475	(6,383) *
Revenues Over (Under) Expenditures	9,586	25,269	15,683
Net Change in Fund Balances	$ 9,586	25,269	$ 15,683
Beginning fund balances		67,188	
Ending Fund Balances		$ 92,457	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

Town of Trophy Club, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HOTEL OCCUPANCY TAX

For the Year Ended September 30, 2019

	Original & Final Budget	Hotel Occupancy Tax	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 600,000	$ 669,983	$ 69,983
Investment income	5,000	14,485	9,485
Miscellaneous	-	11,133	11,133
Total Revenues	605,000	695,601	90,601
Expenditures			
General government	20,000	-	20,000
Tourism	115,200	141,261	(26,061)
Capital outlay	50,000	31,045	18,955
Total Expenditures	185,200	172,306	12,894
Revenues Over Expenditures	419,800	523,295	103,495
Net Change in Fund Balances	$ 419,800	523,295	$ 103,495
Beginning fund balances		790,686	
Ending Fund Balances		$ 1,313,981	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Trophy Club, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL RECREATION PROGRAMS

For the Year Ended September 30, 2019

	Original & Final Budget	Recreation Programs	Variance with Final Budget Positive (Negative)
Revenues			
Charges for services	$ 8,500	$ 5,680	$ (2,820)
Total Revenues	8,500	5,680	(2,820)
Expenditures			
Recreation	8,500	6,307	2,193
Total Expenditures	8,500	6,307	2,193
Revenues Over Expenditures	-	(627)	(627)
Net Change in Fund Balances	$ -	(627)	$ (627)
Beginning fund balances		3,655	
Ending Fund Balances		$ 3,028	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Trophy Club, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended September 30, 2019

	Original & Final Budget	Debt Service	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 2,253,064	$ 2,221,216	$ (31,848)
Intergovernmental	253,904	49,881	(204,023)
Investment income	10,000	29,393	19,393
Total Revenues	2,516,968	2,300,490	(216,478)
Expenditures			
Debt Service:			
Principal	1,718,000	1,613,000	105,000
Interest and fiscal charges	752,278	664,951	87,327
Administrative charges	7,500	5,900	1,600
Total Expenditures	2,477,778	2,283,851	193,927
Revenues Over (Under) Expenditures	39,190	16,639	(22,551)
Other Financing Sources (Uses)			
Transfers in	26,937	26,937	-
Total Other Financing Sources (Uses)	26,937	26,937	-
Net Change in Fund Balances	$ 66,127	43,576	$ (22,551)
Beginning fund balances		430,094	
Ending Fund Balances		$ 473,670	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Trophy Club, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CAPITAL PROJECTS FUND

For the Year Ended September 30, 2019

	Original & Final Budget	Capital Projects	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 60,000	$ 149,562	$ 89,562
Total Revenues	60,000	149,562	89,562
Expenditures			
General government	-	6,623	(6,623)
Capital outlay	3,218,030	2,339,286	878,744
Total Expenditures	3,218,030	2,345,909	872,121
Revenues Over Expenditures	(3,158,030)	(2,196,347)	961,683
Net Change in Fund Balances	$ (3,158,030)	(2,196,347)	$ 961,683
Beginning fund balances		5,764,419	
Ending Fund Balances		$ 3,568,072	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Trophy Club, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL PARK LAND DEDICATION

For the Year Ended September 30, 2019

	Original & Final Budget	Park Land Dedication	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 500	$ 11,870	$ 11,370
Other revenue	120,000	-	(120,000)
Total Revenues	120,500	11,870	(108,630)
Expenditures			
Current:			
Capital outlay	400,000	258,831	141,169
Total Expenditures	400,000	258,831	141,169
Revenues Over (Under) Expenditures	(279,500)	(246,961)	32,539
Net Change in Fund Balance	$ (279,500)	(246,961)	$ 32,539
Beginning fund balance		467,425	
Ending Fund Balance		$ 220,464	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas

COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2019

	4B Economic Corporation	Tax Increment Reinvestment Zone #1	Crime Control and Prevention	Total
Assets				
Cash and cash equivalents	$ -	$ -	$ 34,436	$ 34,436
Receivables, net	87,563	-	43,158	130,721
Due from primary government	-	-	59,377	59,377
Total Current Assets	87,563	-	136,971	224,534
Capital assets:				
Non-depreciable	2,538,765	-	-	2,538,765
Net depreciable capital assets	359,783	-	-	359,783
Unamortized bond insurance	9,038	-	-	9,038
Total Noncurrent Assets	2,907,586	-	-	2,907,586
Total Assets	2,995,149	-	136,971	3,132,120
Liabilities				
Accounts payable and accrued liabilities	-	-	6,462	6,462
Due to primary government	119,875	136,180	-	256,055
Accrued interest payable	8,402	-	-	8,402
Debt due within one year	105,000	-	-	105,000
	233,277	136,180	6,462	375,919
Noncurrent liabilities:				
Debt due in more than one year	2,153,791	-	-	2,153,791
Advances from primary government	-	386,503	-	386,503
	2,153,791	386,503	-	2,540,294
Total Liabilities	2,387,068	522,683	6,462	2,916,213
Net Position				
Net investment in capital assets	639,757	-	-	639,757
Restricted				
Public safety	-	-	130,509	130,509
Unrestricted	(31,676)	(522,683)	-	(554,359)
Total Net Position	$ 608,081	$ (522,683)	$ 130,509	$ 215,907

See Notes to Financial Statements.

Town of Trophy Club, Texas

COMBINING SCHEDULE OF ACTIVITIES

DISCRETELY PRESENTED COMPONENT UNITS

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Component Units				
4B Economic Corporation	$ 816,011	$ -	$ -	$ -
Tax Increment Reivestment Zone #1	10,357	-	-	-
Crime Control and Prevention	191,426	-	-	-
Total Component Units	$ 1,017,794	$ -	$ -	$ -
			General Revenues:	
			Property taxes	
			Sales taxes	
			Investment income	
			Total General Revenues	
			Change in Net Position	
			Beginning Net Position	
			Ending Net Position	

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
4B Economic Corporation	Tax Increment Reinvestment Zone #1	Crime Control and Prevention	Total
$ (816,011)	$ -	$ -	$ (816,011)
-	(10,357)	-	(10,357)
-	-	(191,426)	(191,426)
$ (816,011)	$ (10,357)	$ (191,426)	$ (1,017,794)
-	74,939	-	74,939
497,487	5,087	244,325	746,899
5,454	-	-	5,454
502,941	80,026	244,325	827,292
(313,070)	69,669	52,899	(190,502)
921,151	(592,352)	77,610	406,409
$ 608,081	$ (522,683)	$ 130,509	$ 215,907

Town of Trophy Club, Texas

BALANCE SHEET

DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2019

	4B Economic Corporation	Tax Increment Reinvestment Zone #1	Crime Control and Prevention	Total
Assets				
Cash and cash equivalents	$ -	$ -	$ 34,436	$ 34,436
Receivables, net	87,563	-	43,158	130,721
Due from primary government	-	-	59,377	59,377
Total Current Assets	87,563	-	136,971	224,534
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	-	-	6,462	6,462
Due to primary government	119,875	136,180	-	256,055
Advances from primary government	-	386,503	-	386,503
Total Liabilities	119,875	522,683	6,462	649,020
Fund Balances				
Restricted for:				
Public safety	-	-	130,509	130,509
Unassigned	(32,312)	(522,683)	-	(554,995)
Total Fund Balances	(32,312)	(522,683)	130,509	(424,486)
Total Liabilities and Fund Balances	$ 87,563	$ -	$ 136,971	$ 224,534

See Notes to Financial Statements.

Town of Trophy Club, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2019

Fund Balances	$	(424,486)
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		2,538,765
Capital assets - net depreciable		359,783
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Unamortized bond insurance		9,038
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(8,402)
Non-current liabilities due in one year		(105,000)
Non-current liabilities due in more than one year		(2,153,791)
Net Position of the Discretely Presented Component Units	$	215,907

Town of Trophy Club, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2019

	4B Economic Corporation	Tax Increment Reinvestment Zone #1	Crime Control and Prevention	Total
Revenues				
Sales taxes	$ 497,487	$ 5,087	$ 244,325	$ 746,899
Property taxes	-	74,939	-	74,939
Investment income	5,454	-	-	5,454
Total Revenues	502,941	80,026	244,325	827,292
Expenditures				
Economic development	706,911	-	-	706,911
Community development	-	10,357	-	10,357
Public safety	-	-	191,426	191,426
Capital outlay	261,010	-	-	261,010
Debt service				
Principal	105,000			105,000
Interest and fiscal charges	99,023			99,023
Total Expenditures	1,171,944	10,357	191,426	1,373,727
Excess of Revenues Over (Under) Expenditures	(669,003)	69,669	52,899	(546,435)
Net Change in Fund Balances	(669,003)	69,669	52,899	(546,435)
Beginning fund balances	636,691	(592,352)	77,610	121,949
Ending Fund Balances	$ (32,312)	$ (522,683)	$ 130,509	$ (424,486)

See Notes to Financial Statements.

Town of Trophy Club, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED COMPONENT UNITS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances	$	(546,435)
Governmental funds report capital outlays as expenditures. However, in the statement of activitites the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		261,010
Depreciation expense		(8,177)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of bond insurance		(568)
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Amortization of debt discount		(1,332)
Principal payments		105,000
Change in Net Position of the Discretely Presented Component Units	$	(190,502)

TOWN OF
TROPHY CLUB

STATISTICAL SECTION

This part of the Town of Trophy Club's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends 120

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 133

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 140

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 145

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 148

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Town of Trophy Club, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	$ 36,491,021	$ 47,668,302	$ 50,050,855	$ 54,425,735
Restricted	39,003	57,471	1,191,411	315,480
Unrestricted	4,569,344	2,689,482	2,158,558	2,896,674
Total governmental activities net position	$ 41,099,368	$ 50,415,255	$ 53,400,824	$ 57,637,889
Business-type activities				
Net investment in capital assets	$ -	$ -	$ -	$ 52,848
Unrestricted	-	12,541	46,866	230,592
Total business-type activities net position	-	12,541	$ 46,866	$ 283,440
Primary government				
Net investment in capital assets	$ 36,491,021	$ 47,668,302	$ 50,050,855	$ 54,478,583
Restricted	39,003	57,471	1,191,411	315,480
Unrestricted	4,569,344	2,702,023	2,205,424	3,127,266
Total primary governmental net position	$ 41,099,368	$ 50,427,796	$ 53,447,690	$ 57,921,329

Source: Town audited financial records

Notes: The Town implemented the GASB Stateemnt No. 34 model of reporting fiscal year ending September 30, 2004. The Town did not have business-type activities prior to fiscal year 2011. The Town implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have The Town implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of The Town implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of

2014	2015	2016	2017	2018	2019
$ 53,586,441	$ 27,620,857	$ 26,940,643	$ 27,125,337	$ 51,825,867	$ 52,718,444
564,472	4,035,428	4,433,649	4,676,837	5,478,991	6,112,682
3,119,531	2,279,194	1,995,960	3,414,190	3,594,662	4,107,003
$ 57,270,444	$ 33,935,479	$ 33,370,252	$ 35,216,364	$ 60,899,520	$ 62,938,129
$ 560,931	$ 513,930	$ 680,146	$ 776,097	$ 877,048	$ 982,997
(4,845)	163,047	171,755	350,752	633,294	741,325
$ 556,086	$ 676,977	$ 851,901	$ 1,126,849	$ 1,510,342	$ 1,724,322
$ 54,147,372	$ 28,134,787	$ 27,620,789	$ 27,901,434	$ 52,702,915	$ 53,701,441
564,472	4,035,428	4,433,649	4,676,837	5,478,991	6,112,682
3,114,686	2,442,241	2,167,715	3,764,942	4,227,956	4,848,328
$ 57,826,530	$ 34,612,456	$ 34,222,153	$ 36,343,213	$ 62,409,862	$ 64,662,451

Town of Trophy Club, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	$ 1,717,961	$ 2,807,237	$ 1,984,137	$ 1,902,621
PID activities	-	-	-	-
Public safety	2,211,108	2,275,778	2,392,798	2,898,737
Streets and infrastructure	1,335,674	1,372,501	1,829,799	2,234,140
Community development	353,894	345,804	485,614	599,872
Water and sewer	-	617,001	92	261,106
Storm drainage	-	-	-	227,067
Parks and recreation	1,596,619	1,844,573	1,564,660	2,037,590
Interest on long-term debt	391,593	558,473	498,569	489,337
Total governmental activities expenses	7,606,849	9,821,367	8,755,669	10,650,470
Business-type activities:				
Trophy Club Park	-	98,935	130,185	98,718
Storm Drainage	-	156,461	96,488	121,269
Total business-type activities expenses	-	255,396	226,673	219,987
Total primary government expenses	7,606,849	10,076,763	8,982,342	10,870,457
Program Revenues				
Governmental activities:				
Charges for services				
Community Development	713,920	792,065	1,128,234	968,285
Water and sewer	305,580	612,722	2,040	-
Other	688,554	669,827	854,349	793,205
Operating grants and contributions	385,429	340,748	342,894	952,648
Capital grants and contributions	323,822	10,627,098	2,682,302	4,793,132
Total governmental activities program	2,417,305	13,042,460	5,009,819	7,507,270
Business-type activities:				
Charges for services	-	253,034	325,380	506,205
Operating grants and contributions	-	-	-	-
Total business-type activities program	-	253,034	325,380	506,205
Total primary government program revenues	$ 2,417,305	$ 13,295,494	$ 5,335,199	$ 8,013,475

2014	2015	2016	2017	2018	2019
$ 2,113,664	$ 1,955,949	$ 2,728,642	$ 2,533,298	$ 3,398,500	$ 3,650,893
-	2,736,000	2,122,901	48,520	2,850	26,875
3,125,577	2,306,609	3,540,703	4,607,380	4,429,744	5,109,461
1,764,396	1,716,531	1,878,119	1,728,809	1,671,692	2,371,290
620,209	436,090	640,404	738,659	695,637	717,215
311,677	319,054	319,054	-	-	-
231,370	234,339	234,287	-	-	-
2,555,844	2,253,982	2,652,384	2,761,053	2,644,329	2,871,283
412,561	469,923	496,019	2,365,059	2,771,762	2,663,286
11,135,298	12,428,477	14,612,513	14,782,778	15,614,514	17,410,303
134,625	123,445	109,325	116,477	93,677	122,186
103,001	205,331	174,499	120,295	129,722	131,370
237,626	328,776	283,824	236,772	223,399	253,556
11,372,924	12,757,253	14,896,337	15,019,550	15,837,913	17,663,859
895,508	702,578	605,558	-	-	-
-	-	-	-	-	-
783,359	752,102	607,453	1,576,453	1,816,239	1,590,375
423,960	550,495	141,071	581,633	443,752	3,019,160
761,196	1,254,997	-	-	-	-
2,864,023	3,260,172	1,354,082	2,158,086	2,259,991	4,609,535
550,617	484,874	466,934	596,520	592,322	539,295
-	-	61,106	-	94,521	3,360
550,617	484,874	528,040	596,520	686,843	542,655
$ 3,414,640	$ 3,745,046	$ 1,882,122	$ 2,754,606	$ 2,946,834	$ 5,152,190

Town of Trophy Club, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2010	2011	2012	2013
Net (Expenses) Revenue				
Governmental activities	$ (5,189,544)	$ 3,221,093	$ (3,745,850)	$ (3,143,200)
Business-type activities	-	(2,362)	98,707	286,218
Total primary government net expenses	$ (5,189,544)	$ 3,218,731	$ (3,647,143)	$ (2,856,982)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	3,889,157	4,480,999	4,897,615	5,334,140
Sales and mixed beverage taxes	674,131	631,561	754,105	781,054
Other taxes	537,644	648,400	706,065	828,338
Intergovernmental revenue	409,454	-	-	-
Investment income	17,634	15,162	7,983	7,193
Miscellaneous revenues	126,949	333,497	301,269	379,896
Transfers	-	75,819	64,382	49,644
Total governmental activities	5,654,969	6,185,438	6,731,419	7,380,265
Business-type activities:				
Investment income	-	78	-	-
Special items	-	-	-	-
Transfers	-	(75,819)	(64,382)	(49,644)
Total business-type activities	-	(75,741)	(64,382)	(49,644)
Total primary government	$ 5,654,969	$ 6,109,697	$ 6,667,037	$ 7,330,621
Change in Net Position				
Governmental activities	$ 465,425	$ 9,406,531	$ 2,985,569	$ 4,237,065
Business-type activities	-	(78,103)	34,325	236,574
Total primary government	$ 465,425	$ 9,328,428	$ 3,019,894	$ 4,473,639

Source: Town audited financial records

Notes: The Town implemented the GASB 34 model of reporting fiscal year
The Town did not have business-type activities prior to fiscal year 2011.
The Town implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.
The Town implemented GASB No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.
The Town implemented GASB No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

2014	2015	2016	2017	2018	2019
$ (8,271,275)	$ (9,168,305)	$ (13,258,431)	$ (12,624,692)	$ (13,354,523)	$ (12,800,768)
312,991	156,098	244,216	359,748	463,444	289,099
$ (7,958,284)	$ (9,012,207)	$ (13,014,215)	$ (12,264,944)	$ (12,891,079)	$ (12,511,669)
5,955,398	9,364,705	9,701,080	10,398,462	10,578,398	11,150,826
965,969	1,104,298	1,217,693	1,306,243	1,150,073	1,271,864
1,020,554	1,027,407	1,255,995	1,376,352	1,486,952	1,581,721
-	-	-	-	-	-
4,973	11,331	65,709	146,015	259,220	512,922
185,922	100,202	382,521	908,540	197,567	235,107
28,607	35,350	70,206	86,887	87,209	86,937
8,161,423	11,643,293	12,693,204	14,222,499	13,759,419	14,839,377
25	143	914	2,087	7,258	11,818
26,001	-	-	-	-	-
(28,607)	(35,350)	(70,206)	(86,887)	(87,209)	(86,937)
(2,581)	(35,207)	(69,292)	(84,800)	(79,951)	(75,119)
$ 8,158,842	$ 11,608,086	$ 12,623,912	$ 14,137,699	$ 13,679,468	$ 14,764,258
$ (109,852)	$ 2,474,988	$ (565,227)	$ 1,597,807	$ 404,896	$ 2,038,609
310,410	120,891	174,924	274,948	383,493	213,980
$ 200,558	$ 2,595,879	$ (390,303)	$ 1,872,755	$ 788,389	$ 2,252,589

Town of Trophy Club, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2010	2011	2012	2013
General Fund				
Nonspendable for prepaids	$ -	$ 2,620	$ 796	$ 796
Nonspendable for advances	-	-	-	-
Assigned for capital expenditures	-	228,138	228,138	228,138
Commtted for Police	-	-	-	-
Unassigned	-	2,412,034	2,902,168	2,398,330
Reserved	57,486	-	-	-
Unreserved	2,056,334	-	-	-
Total general fund	$ 2,113,820	$ 2,642,792	$ 3,131,102	$ 2,627,264
All Other Governmental Funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted for:				
Debt Service	-	85,388	94,267	119,722
Capital Projects	-	1,599,988	996,425	2,065,759
PID No. 1	-	-	-	-
Tourism	-	1,890	1,321	87,225
Parks	-	-	-	-
Street Maintenance	-	34,750	75,999	46,700
Town Anniversary	-	2,114	2,114	2,114
Water Services	-	12,788	-	-
Court	-	-	49,962	60,927
Public Safety	-	-	-	23,007
Committed for:				
Recreation programs	-	-	-	-
Unassigned	-	(26,477)	(257,350)	(11,517)
Reserved for:				
Debt service	83,067	-	-	-
Prepaid items	1,567	-	-	-
Encumbrances	48,000	-	-	-
Capital projects funds	6,709,402	-	-	-
Unreserved, reported in:				
Special revenue funds	151,970	-	-	-
Total all other governmental funds	$ 6,994,006	$ 1,710,441	$ 962,738	$ 2,393,937

Source: Town audited financial records

(1) The Town implemented the GASB 54 during fiscal year ended September 30, 2011.

2014	2015	2016	2017	2018	2019
$ 796	$ 1,816	$ 54,397	$ 91,278	$ 44,474	$ 3,184
-	-	-	-	386,503	386,503
228,138	228,138	-	-	-	-
-	200,000	189,475	183,858	182,718	177,130
2,816,087	3,261,235	3,950,290	4,335,983	4,826,823	5,256,436
-	-	-	-	-	-
-	-	-	-	-	-
$ 3,045,021	$ 3,691,189	$ 4,194,162	$ 4,611,119	$ 5,440,518	$ 5,823,253
$ -	$ -	$ -	$ -	$ 205,668	$ -
118,092	118,542	143,174	309,043	262,277	473,670
4,505,273	1,694,546	8,764,936	6,285,515	5,764,419	3,568,072
	4,229,068	3,869,425	3,832,851	3,882,225	3,972,188
283,481	475,748	564,363	399,883	790,686	1,313,981
-	-	-	-	467,425	220,464
39,915	65,306	-	92,856	29,337	92,457
2,114	3,497	-	-	-	-
-	-	-	-	-	-
46,253	43,422	39,668	37,819	37,155	30,036
93,746	134,265	210,189	71,259	9,886	9,886
2,812	3,395	2,269	7,307	3,655	3,028
(6,333)	(6,327)	(5,017)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
	-	-	-	-	-
-	-	-	-	-	-
$ 5,085,353	$ 6,761,462	$ 13,589,007	$ 11,036,533	$ 11,452,733	$ 9,683,782

Town of Trophy Club, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues				
Taxes				
Ad valorem taxes	$ 3,890,927	$ 4,457,829	$ 4,916,886	$ 5,330,778
Sales and mixed beverage taxes	674,131	631,561	754,105	781,054
Franchise taxes	519,959	608,806	693,722	718,952
Occupancy	17,685	22,644	20,543	108,170
Licenses, permits & fees	719,333	798,520	1,128,234	968,285
Intergovernmental	237,756	375,749	342,894	888,896
Charges for services	868,571	1,140,556	670,186	592,146
Fines & Fees	120,151	167,461	157,143	171,579
Contributions	709,251	265,426	322,536	1,472
Investment Income	17,634	15,162	7,983	7,193
Grant revenue	171,698	318,954	1,400,252	490,850
Miscellaneous	126,949	335,796	82,057	388,894
Total revenues	8,074,045	9,138,464	10,496,541	10,448,269
Expenditures				
Current:				
General government	1,722,229	1,763,048	1,968,287	1,844,939
PID activities	-	-	-	-
Public safety	2,169,477	2,237,263	2,408,103	2,905,923
Highways & streets	568,619	811,854	2,017,548	1,067,962
Community development	344,278	189,425	481,473	576,306
Water and sewer	-	617,001	92	-
Culture & recreation	1,393,751	1,523,133	1,659,656	1,491,496
Debt Service:				
Principal	540,000	803,000	885,000	2,294,000
Interest	371,721	551,955	475,266	456,417
Other charges	82,245	74,324	21,200	29,367
Capital Outlay	3,223,478	5,390,630	1,403,691	237,936
Total expenditures	10,415,798	13,961,633	11,320,316	10,904,346
Excess of revenues over (under) expenditures	(2,341,753)	(4,823,169)	(823,775)	(456,077)

2014	2015	2016	2017	2018	2019
$ 5,908,764	$ 9,387,548	$ 9,710,760	$ 10,261,991	$ 10,767,166	$ 11,144,195
965,969	1,104,298	1,217,694	1,306,243	1,150,073	1,271,864
772,621	811,052	953,622	888,863	867,446	911,738
235,796	264,708	302,374	487,489	619,506	669,983
904,251	697,378	598,586	333,780	614,931	499,302
133,004	326,195	26,237	581,633	608,910	724,333
611,781	293,011	310,735	820,530	767,237	769,962
126,111	580,648	362,409	355,504	497,078	312,267
-	-	-	-	-	-
4,974	11,330	65,708	146,015	259,213	512,922
61,383	147,691	7,942	-	-	-
485,380	100,202	407,418	158,540	715,535	402,894
10,210,034	13,724,061	13,963,485	15,340,588	16,867,095	17,219,460
1,947,650	2,273,447	2,349,120	2,191,140	2,404,704	3,164,364
-	314,344	81,793	44,984	2,850	26,875
2,918,484	2,896,632	3,187,064	4,117,992	4,441,873	4,872,242
517,964	516,035	566,927	179,448	340,910	414,938
587,760	479,477	576,508	582,259	449,178	568,239
-	-	-	-	-	-
1,853,811	1,799,204	1,892,065	1,991,571	2,708,827	2,250,599
998,000	1,438,000	2,153,974	1,567,004	1,675,350	1,723,652
398,872	2,504,235	2,055,694	2,555,580	2,791,600	2,805,764
75,100	42,736	1,340,786	74,591	5,235	5,900
885,436	3,466,307	3,395,509	9,146,919	1,239,065	2,860,040
10,183,077	15,730,417	17,599,440	22,451,488	16,059,592	18,692,613
26,957	(2,006,356)	(3,635,955)	(7,110,900)	807,503	(1,473,153)

Town of Trophy Club, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2010	2011	2012	2013
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease obligation	-	-	-	-
Proceeds from contractual obligations	5,560,000	-	-	-
Proceeds from bonds	-	2,790,000	500,000	1,300,000
Premium on bonds	-	118,904		33,794
Payment to refunded bond escrow agent	-	(2,825,503)	-	-
Transfer from other funds	276,317	185,835	191,878	876,553
Transfer to other funds	(276,317)	(110,016)	(127,496)	(826,909)
Total other financing sources (uses)	5,560,000	159,220	564,382	1,383,438
NET CHANGE IN FUND BALANCES	$ 3,218,247	$ (4,663,949)	$ (259,393)	$ 927,361
Debt service as a percentage of non-capital expenditures	12.68%	15.81%	13.72%	25.79%

Source: Town audited financial records

2014	2015	2016	2017	2018	2019
-	-	-	-	264,732	-
2,500,000	-	4,210,000	-	-	-
600,000	2,030,000	31,399,979	4,445,000	-	-
50,329	-	5,020,788	128,317	-	-
-	(2,026,710)	(29,734,500)	-	-	-
55,741	63,350	493,947	993,250	298,457	89,937
(27,134)	(28,000)	(423,741)	(906,363)	(63,817)	(3,000)
3,178,936	38,640	10,966,473	4,660,204	499,372	86,937
$ 3,205,893	$ (1,967,716)	$ 7,330,518	$ (2,450,696)	$ 1,306,875	$ (1,386,216)
15.02%	32.14%	29.64%	30.99%	31.37%	26.84%

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Estimated Market Value: Real Property	Estimated Market Value: Non Real Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	$ 861,983,993	$ 28,133,834	$ 49,316,322	$ 840,801,505	$ 0.47000
2011	901,333,893	24,792,616	52,794,045	873,332,464	0.51500
2012	971,822,347	23,862,338	54,212,507	941,472,178	0.53000
2013	1,068,605,127	24,460,719	59,911,204	1,033,154,642	0.51854
2014	1,248,215,265	25,845,178	60,160,746	1,213,899,697	0.49930
2015	1,426,754,517	20,304,259	64,382,412	1,382,676,364	0.49000
2016	1,618,577,881	28,301,916	68,622,814	1,578,256,983	0.48400
2017	1,816,191,857	29,805,970	73,301,474	1,772,696,353	0.47300
2018	1,986,456,291	32,335,529	83,492,349	1,935,299,471	0.45144
2019	2,146,374,412	34,488,137	79,947,523	2,100,915,026	0.44644

Source: Denton & Tarrant County Central Appraisal District Certified Roll

Note: Total Taxable Assessed Value is not adjusted for tax ceilings.

Town of Trophy Club, Texas

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years (Unaudited)

	Town of Trophy Club			Overlapping Rates			
Fiscal Year	Operating Millage	Debt Service Millage	Total Town Millage	Northwest ISD	Trophy Club MUD #1	Trophy Club MUD #2	Denton County
2010	$ 0.388380	$ 0.081620	$ 0.470000	$ 1.355000	$ 0.205000	$ 0.205000	$ 0.249800
2011	0.397220	0.117780	0.515000	1.375000	0.195000	-	0.273900
2012	0.415013	0.114987	0.530000	1.375000	0.175000	-	0.277357
2013	0.403543	0.115000	0.518543	1.375000	0.133390	-	0.282867
2014	0.384300	0.115000	0.499300	1.452500	0.133390	-	0.284914
2015	0.380000	0.110000	0.490000	1.452500	0.133390	-	0.272200
2016	0.374000	0.110000	0.484000	1.452500	0.131140	-	0.262000
2017	0.363000	0.110000	0.473000	1.452500	0.127220	-	0.248409
2018	0.341442	0.110000	0.451442	1.490000	0.120210	-	0.237181
2019	0.336442	0.110000	0.446442	1.490000	0.116180	-	0.225574

Source: Denton & Tarrant County Appraisal Districts

(1) The Town implemented the GASB 34 model of reporting fiscal year ending September 30, 2004.

Overlapping Rates							Total
Trophy Club PID #1 ESD	Tarrant County	Tarrant County College	Tarrant County Hospital	Total MUD #1 Millage	Total MUD #2 Millage	Total PID #1 ESD Millage	Direct & Overlapping Rates
$ 0.109140	$ 0.264000	$ 0.137670	$ 0.227897	$ 2.872230	$ 3.018507	$ 2.265560	$ 3.223507
0.109250	0.264000	0.137640	0.227897	2.987570	N/A	2.390930	3.097687
0.109250	0.264000	0.148970	0.227897	2.994564	N/A	2.406594	3.107474
0.104000	0.264000	0.149500	0.227897	2.942300	N/A	2.395410	3.055197
0.087380	0.264000	0.149500	0.227897	2.985984	N/A	2.439094	3.098881
0.077270	0.264000	0.149500	0.227897	2.948860	N/A	2.401970	3.066757
0.072220	0.264000	0.149500	0.227897	2.925360	N/A	2.380720	3.043257
0.074450	0.254000	0.144730	0.227897	2.884309	N/A	2.358359	3.002206
0.068700	0.244000	0.140060	0.224429	2.861593	N/A	2.357323	2.976022
0.067190	0.234000	0.136070	0.224429	2.825456	N/A	2.339206	2.939885

Town of Trophy Club, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Fiscal Year and Nine Years Ago (Unaudited)

	2019		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value** (1)
Trophy Club 12 LLC	$ 17,625,071	1	0.84%
Trophy Club Equities LLC	8,207,623	2	0.39%
Oncor Electric Delivery Co	7,990,320	3	0.38%
4663 Okeechobee Blvd. and Palm Beach Holdings	7,378,138	4	0.35%
Clubcorp Colf TEX LP P/S	6,396,235	5	0.30%
Armore II - Quorum LLC	6,037,763	6	0.29%
Ashton Dallas Residential LLC	4,906,470	7	0.23%
Trophy Club Real Estate LLC	4,537,447	8	0.22%
Randall's Food & Drug, LP	2,952,680	9	0.14%
JLIS LLC	2,945,472	10	0.14%
MS & BS Investments, Inc	-	n/a	n/a
Wonderland Plaza	-	n/a	n/a
Scott, Larry P & Laurie Ann LLC	-	n/a	n/a
Drees Custom Homes LP	-	n/a	n/a
Harvey's Racquet Club Apartments, Ltd	-	n/a	n/a
CP Trophy Club LLC	-	n/a	n/a
RR Webster Family, LLC	-	n/a	n/a
STD TC Building LP	-	n/a	n/a
Totals	$ 68,977,219		3.27%

Source: Denton and Tarrant County Central Appraisal District

(1) Total taxable value including real and personal property for tax year 2018 (fiscal year 2017) is $2,100,915,026

(2) Total taxable value including real and personal property for tax year 2010 (fiscal year 2009) is $840,801,505

2010		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)
-	n/a	n/a
-	n/a	n/a
4,731,860	9	n/a
6,000,000	5	n/a
6,629,584	2	n/a
6,000,000	5	0.71%
-	n/a	n/a
-	n/a	n/a
4,731,860	9	0.56%
-	n/a	n/a
18,395,000	1	2.19%
6,629,584	2	0.79%
6,176,998	3	0.73%
6,016,687	4	0.72%
5,878,060	6	0.70%
5,875,000	7	0.70%
5,509,437	8	0.66%
4,347,980	10	0.52%
$ 86,922,050		8.26%

TOWN OF
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Town of Trophy Club, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	$ 3,864,014	$ 3,836,568	99.29%	$ 25,754	$ 3,862,322	99.96%
2011	4,446,960	4,414,699	99.27%	25,723	4,440,422	99.85%
2012	4,858,136	4,838,092	99.59%	13,713	4,851,805	99.87%
2013	5,259,719	5,244,699	99.71%	7,742	5,252,441	99.86%
2014	5,904,591	5,869,976	99.41%	26,189	5,896,165	99.86%
2015	6,665,433	6,642,558	99.66%	14,249	6,656,806	99.87%
2016	7,477,394	7,456,542	99.72%	13,166	7,469,708	99.90%
2017	8,188,616	8,153,915	99.58%	10,781	8,164,696	99.71%
2018	8,627,946	8,614,737	99.85%	2,176	8,616,913	99.87%
2019	9,027,118	8,992,174	99.61%	-	8,992,174	99.61%

Source: Denton County Tax Assessor Collector

Town of Trophy Club, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Certificates of Obligation	Special Assessment Bonds	Premium	Capital Leases
2010	$ 12,400,000	$ 782,000	$ -	$ -	$ 92,240
2011	11,833,750	709,000	-	-	30,570
2012	11,505,149	634,000	-	-	-
2013	9,464,076	1,698,419	-	-	-
2014	9,085,567	4,212,132	-	-	-
2015	8,344,695	4,029,431	26,481,000	-	-
2016	12,375,000	7,961,000	25,710,479	4,916,763	-
2017	11,450,000	12,068,000	25,406,475	4,754,458	-
2018	10,640,000	11,415,000	25,285,577	4,457,420	173,280
2019	9,805,000	10,637,000	25,260,000	4,160,382	88,205

(1) Personal Income and population found on Table 15 of the Statistical Section

Business-Type Activities				
Certificates of Obligation	Premium	Total Primary Government	Percentage of Personal Income (2)	Per Capita
-	$ -	$ 13,274,240	4.92%	$ 1,618
-	-	12,573,320	3.69%	1,531
-	-	12,139,149	3.03%	1,348
1,743,456	-	12,905,951	2.86%	1,199
1,599,038	-	14,896,737	3.07%	1,293
1,454,619	-	40,309,745	7.62%	3,348
1,275,000	30,200	52,268,442	9.35%	4,200
1,130,000	25,779	54,834,712	9.26%	4,234
980,000	21,358	52,972,635	8.06%	3,828
825,000	16,939	50,792,526	7.94%	4,106

Town of Trophy Club, Texas

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Special Assessment Bonds	Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
2010	$ 12,400,000	$ 782,000	$ -	1.57%	$ 1,607
2011	11,833,750	709,000	-	1.44%	1,528
2012	11,505,149	634,000	-	1.29%	1,348
2013	9,464,076	1,698,419	-	1.08%	1,037
2014	9,085,567	4,212,132	-	1.10%	1,154
2015	8,344,695	4,029,431	-	0.89%	1,028
2016	12,375,000	7,961,000	25,710,479	1.29%	1,634
2017	11,450,000	12,068,000	25,406,475	1.33%	1,890
2018	10,640,000	11,415,000	25,285,577	1.14%	1,594
2019	9,805,000	10,637,000	25,260,000	0.97%	1,653

[a] Property values are from table 5.

[b] Populations are from table 12.

Town of Trophy Club, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2019 (Unaudited)

Governmental Unit	Debt Principal Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Denton County	$ 645,305,000	2.08%	$ 13,453,432
Northwest Independent School District	870,670,379	5.32273%	46,343,403
Tarrant County	324,065,000	0.07%	242,548
Tarrant County Hospital District	33,290,000	0.07%	24,916
Trophy Club MUD #1	26,965,000	0.60%	160,622
Subtotal, overlapping debt	$ 1,900,295,379		$ 60,224,921
Town of Trophy Club, direct debt	49,862,382	100.00%	49,862,382
Total Direct and Overlapping Debt Principal	$ 1,950,157,761		$ 110,087,303

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Trophy Club. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Most recent Texas Municipal Reports (TMR) published by the Municipal Advisory Council of Texas.

TOWN OF
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Town of Trophy Club, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Year	Estimated Population[a]	Total Households[a]	Median Household Income[b]	Total Personal Income	Unemployment Rate[c]
2010	8,204	2,930	$ 92,492	$ 271,001,560	7.59
2011	8,210	3,179	107,150	340,629,850	7.09
2012	9,005	3,379	118,595	400,732,505	6.10
2013	10,760	3,680	122,539	450,943,520	5.65
2014	11,525	3,891	124,593	484,791,363	4.72
2015	12,040	4,153	127,391	529,054,823	3.88
2016	12,446	4,342	128,750	559,032,500	3.66
2017	12,950	4,435	133,457	591,881,795	3.38
2018	13,838	4,723	139,156	657,233,788	3.40
2019	12,369	4,490	142,483	639,748,670	3.10

Sources: a Estimated population using residential water connections

b United States Census Bureau

c Federal Bank of St. Louis Economic Research; Denton and Tarrant Counties' data averaged 2018.

Town of Trophy Club, Texas

PRINCIPAL EMPLOYERS

Current Year and Six Years Ago (1)

	2019	
Employer	**Employees**	**Percentage of Total Town Employment**
Northwest Independent School District	419	20.95%
Baylor Medical Center at Trophy Club	230	11.00%
Trophy Club Country Club	220	11.50%
Town of Trophy Club[4]	152	7.60%
HG Sply Co.	138	6.90%
Tom Thumb	127	6.35%
Bread Winners Cafe	72	3.60%
Fellowship United Methodist Church	50	2.50%
Premier Academy - Trophy Club	42	2.10%
Trophy Lake Academy	33	1.65%
Cristina's Mexican Restaurant	28	1.40%
Total	1,511	75.55%

(1) Employment data is not available prior to 2012.

(2) Staff estimated total Town employment of 2,000 for fiscal year 2019

(3) Staff estimated total Town employment of 1000 for fiscal year 2013

(4) Includes Full Time, Part Time, and Seasonal

	2013	
Employer	**Employees**	**Percentage of Total Town Employment**
Northwest Independent School District	353	29.66%
Trophy Club Country Club	169	14.20%
Baylor Medical Center at Trophy Club	130	10.92%
Tom Thumb	97	8.15%
Town of Trophy Club	86	7.23%
Cristina's Mexican Restaurant	47	3.95%
Respiratory Sleep Solutions	42	3.53%
Premier Academy - Trophy Club	40	3.36%
Fellowship United Methodist Church	39	3.28%
Church at Trophy Lake	30	2.52%
	1,033	86.81%

Town of Trophy Club, Texas

FULL-TIME TOWN GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years (Unaudited)

Function	2010	2011	2012	2013	2014
General Government and Adminstration	10	12	13	12	14
Public Safety	22	22	23	28	31
Streets	5	5	5	5	5
Parks and Recreation	11	11	16	16	17
Community Development	3	3	5	6	7
Total	50	53	62	67	74

Source: Departmental records

2015	2016	2017	2018	2019
13	14	13	14	14
32	33	33	34	41
4	4	4	2	3
17	17	16	17	14
6	6	6	6	5
72	73	73	73	77

Town of Trophy Club, Texas

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years (Unaudited)

Function	2010	2011	2012	2013
Public Safety				
Police				
Number of stations	1	1	1	1
Number of police personnel	16	17	15	18
Number of arrests	125	128	102	101
Number of traffic stops	2,696	2,821	2,602	2,443
Fire				
Number of stations	1	1	1	1
Number of fire personnel	14	14	14	14
Number of calls answered	651	741	845	945
Developmental				
Miles of streets	39	42	43	43
Parks/Recreational Changes				
Parks	8	7	6	6
Park acreage	1,037	1,037	1,039	1,039

Source: Departmental records

2014	2015	2016	2017	2018	2019
1	1	1	1	2	2
23	25	25	26	26	24
82	125	145	148	130	275
2,004	2,912	3,635	2,922	4,262	5,397
1	1	1	1	1	1
15	15	16	17	18	17
907	868	898	868	858	871
43	43	43	43	43	52
6	6	6	6	6	6
1,039	1,039	1,039	1,039	1,039	1,039